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As President sends new trade bill to Congress, Seventh U.S. Trade Center opens in Paris

International Trade Winds

Company News

BANKING—Chemical Bank, sixth largest bank in the United States, opened a full service branch in Frankfurt. This is the first full service branch Chemical has opened on continental Europe. The New York financial institution now has branches, representatives and correspondents in 145 nations.

CONSTRUCTION—M. W. Kellogg Co., division of Pullman Inc., New York, will act as managing contractor for Korea Oil Corp.'s petrochemical complex to be built at Korea's refinery site in Wulsan, Korea. Kellogg will design, engineer, procure and construct the feed unit, a naphtha cracker with a capacity of 150,000 metric tons per year of ethylene. The complex will be the first non-agricultural petrochemical complex in Korea and will provide raw materials for the polyethylene, synthetic rubber and nylon manufacturers. Kellogg will also provide advisory services during construction and startup and will assist in procuring equipment and other services in the Far East.

TRANSPORTATION EQUIPMENT—Fruehauf Corp., Detroit, and Domett Truck and Trailer Co. Ltd., Feilding, New Zealand, have signed an agreement for the manufacture of Fruehauf trailers and containers in that country. This increases the number of facilities outside the U.S. and Canada producing Fruehauf equipment to 13.

INSURANCE—American Foreign Insurance Association (AFIA) of New York has opened two sub-branches—one in Teresopolis, Brazil, the other in Cotabato City, Philippines. Teresopolis is the 15th city in that nation to receive an AFIA office. AFIA member companies registered in Brazil are The Great American Insurance Co., The Home Insurance Co. and St. Paul Fire and Marine Insurance Co. The Philippine office is located on Mindanao in an economically expanding agricultural area. Aetna Insurance Co., Fireman's Fund Insurance Co., Great American and St. Paul Fire and Marine are AFIA members registered to conduct business in the Philippines. AFIA operates a branch in Manila and sub-branches in four other Philippine cities.

Newsletter

More than 4,000 registered visitors viewed the U.S. exhibition of equipment for shipbuilding and ship operation in EUROPORT '69, the 8th International Maritime Show at Amsterdam Nov. 11-15. Eight agents were appointed and 89 under negotiation at the close of the exhibition. Floor orders totaled $486,883 and sales for the next 12 months are expected to reach about $12 million. The EUROPORT congress (symposium) featured Nov. 12 as America Day, with six speakers from the United States participating.

A one-day sales seminar and between-shows exhibition at the U.S. Trade Center in Bangkok not long ago spurred the sponsoring firm to begin planning to use the Center again. The Thai Cisco Co., local distributor for Owens-Corning of Toledo, Ohio, sold more than $2,000 worth of products during the day and forecasts an additional $100,000 worth of sales during the next 12 months. More than 125 visitors attended the event by invitation only.

Is there a lesson in reverse for U.S. exporters in the British Board of Trade's outline of ten ways to sell more in "the world's richest market" (ours)? 1. Know the market; 2. Visit the market; 3. Think American; 4. Divide and conquer (regional promotion); 5. Deliver promptly; 6. Be design conscious; 7. Use professional advice; 8. Make use of special promotions; 9. After-sales service; 10. Advertise with enthusiasm, because Americans love to be sold.

Demand for management training courses is likely to increase in the U.S., but "the rate of demand for growth abroad will exceed the American pace by a considerable margin." This judgment is expressed by Alexander B. Trowbridge, president of the American Management Association, in setting AMA on a course of serving both domestic and international requests for continuing education of executives.

Three engineers from the United States soon will be installing the giant balloo their company has fabricate to float above the pavilion of the Ricoh-San'ai Group of Japan, at Expo '70 opening in Osaka March 15. Helping to symbolize Ricoh's exhibition theme, "Mankind' Eyes for a Better World," th 82-foot-diameter, helium-filled balloon was fabricated by the Goodyear Aerospace Corp. of Akron. More than 75 foreign countries are expected to participate in the exposition—the firs world's fair to be held in Asia.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for the detailed know-how and analysis in our regular news columns.

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the cover

The United States Trade Center in Paris opened Nov. 17 with a laser exhibition. Standing before the counterpart of the laser beam reflector placed on the moon are (from left) Achille Peretti, Mayor of Neuilly and also President of the French National Assembly; Robert O. Blake, Deputy Chief of Mission, U.S. Embassy, Paris; Dr. Bernard Lafay, of France's Ministry of Industrial and Scientific Development; K. N. Davis, Jr., Assistant Secretary of Commerce for Domestic and International Business, and exhibitor Lucien Dana, of Spectra-Physics, Inc., holding laser. See story, p. 4.

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Wider import relief provisions, end to ASP valuatio

By BERNARD ASCHER

Office of Commercial and Financial Policy, BIC

"Modest in scope, but significant in its impact . . ." With these words President Nixon on Nov. 18 sent the Administration's trade bill to Congress.

Featured in the bill are: 1) authority to make modest reductions in U.S. tariffs; 2) elimination of the American Selling Price system of customs valuation; 3) liberalized provisions for granting relief to industries, firms and groups of workers injured by imports; 4) wider authority for the President to retaliate against unjustifiable or unfair restrictions affecting U.S. exports; and 5) specific authorization for funding U.S. participation in the General Agreement on Tariffs and Trade (GATT).

In his message, the President said he would welcome a clear statement of Congressional intent with regard to nontariff barriers, to assist in efforts to obtain reciprocal lowering of such barriers, and would submit legislation "at the appropriate time" to seek authorization for the United States to extend tariff preferences to the less developed countries.

Looking toward the future, the President announced that he will appoint a Commission on World Trade "to examine the entire range of our trade and related policies, to analyze the problems we are likely to face in the 1970's, and to prepare recommendations on what we should do about them."

The bill would restore until June 30, 1973 the President's authority to reduce tariffs in trade agreements. This authority expired on June 30, 1967 at the conclusion of the Kennedy Round. Under the Administration's bill, the President would be able to reduce the final Kennedy Round rates of duty by as much as 20% (or two percentage points on low duty items). This tariff reduction authority is not intended to be used in major international negotiations, but rather for minor adjustments that may become necessary from time to time. For example, the need to reduce a tariff rate on an imported product arises when the rate for another product is increased following an "escape clause" action or a statutory classification change. In such cases, the United States is obliged to compensate GATT member countries whose trade is adversely affected by the increased rate.

As a step toward the reduction or removal of nontariff barriers to trade, the bill would eliminate the American Selling Price (ASP) method of customs valuation. Under this method, duty is assessed on the basis of the price of the "competitive" product in the United States rather than on the foreign or export value of the imported product, which is the more usual basis. Although this system applies only to a very few imported products—mainly benzenoid chemicals—it is regarded overseas as a symbolic U.S. nontariff barrier.

As part of the Kennedy Round, the United States agreed to seek elimination of ASP through legislation. In return, when ASP valuation is replaced by the more usual valuation methods, the Common Market and the United Kingdom are

Commerce official calls for wider competitive policy in major nations

Asst. Secretary Davis says U.S. expects its trading partners to share in initiatives toward world business expansion

A call to the industrialized nations of the world to encourage wider competition in all markets was made to a European audience by a U.S. Commerce Department official.

More willingness is needed from the trading partners of the United States to open up such markets, "even those that have been preserved for some domestic industries in the past," said K. N. Davis, Jr., Assistant Secretary of Commerce for Domestic and International Business, in a talk to the American Chamber of Commerce of Paris and that city's American Club.

Davis noted that many business leaders viewing the U.S. from outside are wondering whether it is turning back toward a protectionist trade philosophy. He then said:

"The forces of international business expansion are far stronger in the United States than those that would turn back. But there is a growing expectancy from all sides that U.S. business and Government should work together to find ways to advance equitably with other nations toward international business expansion. The new initiatives which are being called for should be joint initiatives with all of our trading partners, not the U.S. alone."

Davis pointed out that the upcoming round of non-tariff barrier discussions in the GATT offers "a critical test of every nation's sincerity in wanting expanded, freer trade," and said also that "For those who have questioned our willingness to match others in moving toward freer trade, I could point to the current discussion of tariff preferences for the developing countries. The United States has just made the most liberal offer of any nation. We stand ready to provide maximum cooperation and urge the other industrial nations to join us."

Davis' review of current trade conditions emphasized three points:

"First, I believe that if we objectively examine the past and also where we stand today, we will discern some basic trends in world trade, which we can expect to continue. We should not attempt to resist the positive forces of change (new technology, for example), but rather find ways to take maximum advantage of the great new possibilities offered.

"Second, in the next decade, it will become a matter of vital necessity for the great bulk of the industrial enterprises of all nations to become international in scope. No longer will overseas markets be the interest of only large companies. And no longer will some

n Administration trade measure now before Congress

to make further cuts in their chemical tariffs. In addition, Belgium, Italy and France are to significantly reduce road taxes based on automobile horsepower, which discriminate against U.S. car manufacturers. The United Kingdom is to reduce tariff preferences to Commonwealth countries on tobacco, and Switzerland is to modify its regulations on canned fruit imports.

The bill would revise the tests to be met by industries, firms, and groups of workers to qualify for relief from import competition. To date, no industry or firm has qualified for such relief under the criteria of the Trade Expansion Act of 1962. Except for three recent cases, no affirmative findings were made for worker groups. The revised criteria would make it easier to obtain relief.

Under the "escape clause," industries would no longer need to demonstrate that trade agreement concessions are the **major cause** of increased imports, which in turn are the **major factor** causing serious injury. Instead, they would have to show that increased imports are the **primary cause** of serious injury. As before, relief would be in the form of higher tariffs imposed on the competing imports, or import quotas, or orderly marketing arrangements.

The new criteria for adjustment assistance to firms and groups of workers would require a finding that increased imports are a **substantial cause** of serious injury, unemployment, or underemployment. At present, as in the case of industries petitioning for tariff relief, firms and workers must demonstrate that trade agreement concessions are the **major cause** of increased imports, which in turn are the **major factor** causing serious injury, unemployment, or underemployment. Adjustment assistance would remain in the form of technical assistance, low cost loans, and/or tax relief for injured firms; and readjustment allowances, training and/or relocation allowances for workers.

The President's authority to take retaliatory action would be expanded in the proposed bill. It would permit the President to impose countermeasures on imports of any product—industrial as well as agricultural—from any nation that maintains unjustifiable restrictions on U.S. exports. It would also provide new authority to take appropriate action against any nation that provides subsidies or other incentives on its exports to third-country markets, when that subsidized competition unfairly affects U.S. exports.

The bill would provide for specific authorization for the funding of U.S. participation in the General Agreement on Tariffs and Trade (GATT). Ever since its beginning in 1947, U.S. participation in the organization has been financed through general contingency funds rather than through specific appropriation.

Near the conclusion of his message, President Nixon commented "Our goal is an open world. Trade is one of the doors to that world. Its continued expansion requires that others move with us, and that we achieve reciprocity in fact as well as in spirit."

specialized industries be able to think of their domestic market as a private preserve, secure from outside interest or competition.

"Third, the time has come for a new round of dedicated efforts by governments and industry together to vastly improve the framework in which the world carries on its business affairs. I am not talking of just more tariff reductions, or only the very important nontariff barrier discussions which are just getting under way in the GATT. I am referring to the need for good faith bargaining on a whole range of subjects, including the problems of the developing nations, international labor practices and conditions, antitrust policies, foreign investment restrictions, product safety and performance standards, and many, many more.

"We must not let the practical necessity of dealing with difficult short-term national or industry problems divert us from a golden long-term opportunity of utilizing the competitive global business system to carry the world forward into history's greatest period of economic well-being for all peoples."

The Commerce Department official measured the growth of world trade. He observed that if it just keeps growing as fast as it did in the last 8 years, by 1980 total Free World trade will amount to over half a trillion dollars annually.

Another measure of the growth of international commerce he mentioned was the increase in overseas investments by companies from various countries. In 1968, he said, sales of foreign subsidiaries of U.S. companies, for example, topped $200 billion—as compared to our $34 billion in exports.

After discussing the impact of the computer, nuclear power and jet aircraft on today's life, Davis said that even more far-reaching technological changes will be coming, and that the successful companies and the great nations will be the ones that adapt to these new technologies.

He continued:

"It used to be that some businesses could go on for years without fear of falling behind. They perhaps had a unique knowledge of their product or market, or perhaps the demand was too small to attract competition from at home or abroad. With communication and transportation facilities improvements, and the growing awareness of businessmen everywhere that doing business abroad is not so difficult, competition may suddenly arrive from anywhere. This may be hard on the inefficient producer, but in the long run, it is good for the consumer and the public as a whole. Government must not choose to protect the inefficient producer, but rather to encourage and help him to become more efficient or leave the business to others."

So far, it has been the larger firms which have become accustomed to the international life, Davis commented, and then noted: "More and more, we are finding smaller companies entering the field. Exporting through foreign distributors is a well understood practice, and now, investment in overseas facilities by smaller companies is growing rapidly."

Davis gave this summary of U.S. trade policy: "There is no question in our minds but that a period of further world business growth lies ahead, and that internationalization and technological innovation will increasingly become the watchwords of businessmen and government leaders everywhere. The United States understands and accepts gladly its responsibility to participate to the fullest extent with other nations to further world economic growth to the fullest."

SEVENTH OVERSEAS DISPLAY SITE

First Paris Trade Center show hits high sales note

Laser equipment exhibition, colloquium draws 3,244 visitors from 30 nations

The laser equipment exhibition that inaugurated the new Paris Trade Center Nov. 17-21 drew 3,244 visitors from 30 countries. Orders taken off the floor totaled $187,273, while the 36 participating exhibitors estimate their 12-month sales as a result of the show will be $4.388 million.

There were 14 firms seeking French or European representation at the show. By the time the doors closed on Nov. 21, nine agency agreements had been signed, and 43 other candidates were still under review.

The new Center is at 123 Avenue de Neuilly, in a rapidly developing commercial district about a mile west of the Arc de Triomphe, just outside the Paris city limits in the suburb of Neuilly.

Among the high officials who assisted in the opening day ceremonies were Achille Peretti, the Mayor of Neuilly, who is also President of the French National Assembly, and Dr. Bernard Lafay, Secretary of State in the French Ministry of Industrial and Scientific Development.

K. N. Davis, Jr., Assistant Secretary of Commerce for Domestic and International Business, presided at the ceremonies and conducted a conference for the French press. Robert O. Blake, Deputy Chief of Mission, represented the American Embassy in Paris.

Seventh of its kind

The Center is the seventh in a worldwide network of such display, demonstration and sales facilities established and managed by the Commerce Department. The others are in London, Frankfurt, Stockholm, Milan, Tokyo and Bangkok. Director of the Center is George Borrowman; deputy director is Peter Dahmlow.

A special centerpiece exhibit featured an exact replica of the laser ranging retroreflector installed on the moon by the astronauts of the Apollo 11 mission. This device was an 18-inch square array of 100 fused silica reflectors that has served to direct an earth-based laser beam back to a telescope at the laser source. New and more precise data on earth-moon distances is being supplied in this way.

Products on display included gas and solid state lasers, laser source optical image processing (holography) systems, laser systems for measurement and gauging, welding and trimming, laser machine systems, communications systems, including range finding and tracking guidance, laser systems for medical applications, laser microscopes and mass spectrometers, and laser teaching systems.

Daily attendance at the three-day USA International Laser Colloquium held in conjunction with the laser show averaged 274 persons. Dr. Sergio Porto, joint professor of physics and electrical engineering at the University of Southern California, presided over the colloquium.

Colloquium led by experts

A faculty of 20 experts from the U.S. and 11 from Europe read papers on the most recent developments in the laser field. Nobel Prize-winning scientist Dr. Alfred Kastler of the University of Paris chaired the two Nov. 18 sessions.

A fee of $9 per day was charged for admission to the colloquium and for copies of the papers prepared by the speakers.

In opening these sessions, Assistant Commerce Secretary Davis used an example from daily life to illustrate their purpose: "Let us suppose that two men, each carrying a loaf of bread, meet and exchange loaves. Each man then still has only one loaf. But if each man has an idea and the two men exchange ideas, then each man walks away with two ideas."

Davis also said: "Laser technology has grown so rapidly in these last few years

DEMONSTRATION OF THE CUTTING POWER OF A LASER is given to Assistant Secretary of Commerce K. N. Davis, Jr., by Dr. James Hobart (right), president of Coherent Radiation Laboratories, Palo Alto, Calif. The outline of the Eiffel Tower was cut from a heavy block of plastic material by a laser beam.

NOBEL PRIZE WINNER, Dr. Alfred Kastler of the University of Paris, is shown at the opening session of the colloquium held in conjunction with the Trade Center show. The scene is the Salle des Sports, near the Center. An average of nearly 300 attendees paid $9 per day to listen in three languages to the distinguished speakers from six countries. The Trade Center shared the sponsorship of the colloquium with the Electronic Industries Association of the U.S.

that it is already firmly established as a complete 'industry.' One of the consequences of newly developing technologies is that man must learn to work together in larger teams than ever before. So many skills are required that no nation, no matter how great its resources might be, can really master all of them, and do so economically. It is much more economical and fruitful to exchange ideas with other nations."

The colloquium was organized by the Trade Center in cooperation with the Electronics Industries Association of the United States. It was held at the Salle des Sports, about a block from the Center on Avenue de Neuilly.

An organized tour by 21 Swiss businessmen, plus 20 more Swiss visitors who joined the group in Paris, visited the laser exhibition, the colloquium, and attended a reception which the Trade Center gave for them Nov. 18.

Outstanding among reported floor sales were those made by Spectra-Physics, Inc. of Mountain View, Calif., which reached $80,000. The highest projections for additional orders anticipated over the next 12 months was by a firm that asked not to be named with a figure of more than $1.2 million.

Satisfied exhibitors

Without exception, satisfaction was voiced by all of the 36 exhibitors, not only with the exhibit facilities offered at the new Paris Trade Center, but also with the high caliber and interest of the visitors to their booths.

An official of Perkin-Elmer Corp., Wilton, Conn., remarked, "We consider this the best laser show we have participated in so far, including the ones in the States. Major inquiries originated from serious prospects and we expect to make sales to all European countries."

Ken Wood, general sales manager for General Laser Corp. of Natick, Mass., said, "People we talked to were knowlegeable buyers—no casual observers." General Laser was satisfied with the cross section of European businessmen and technicians who viewed their dye laser, and expects to sell 20 to 30 units representing $100,000 to $150,000 in sales.

Expecting excellent sales results for its laser diamond cutter, Raytheon Co., Lexington, Mass., reported, "This show has surprassed our expectations. We have seen a great percentage of prospects from all over Europe."

Expecting to sell between $80,000 to $100,000 in laser equipment over the next year was Cryophysics, S.A., Swiss agent for five U.S. companies.

For Valpey Corp. whose major aim was to conduct market research for their products, the show saved them several months of work and travel. The Nolison, Mass., firm exhibited optical components.

Union Carbide Corp. was represented by its Korad Department in Santa Monica, Calif., and the Crystal Products Department in San Diego. A Korad official declared the Paris show was more valuable for his department than any stateside show, and floor sales during the promotion reached $20,000.

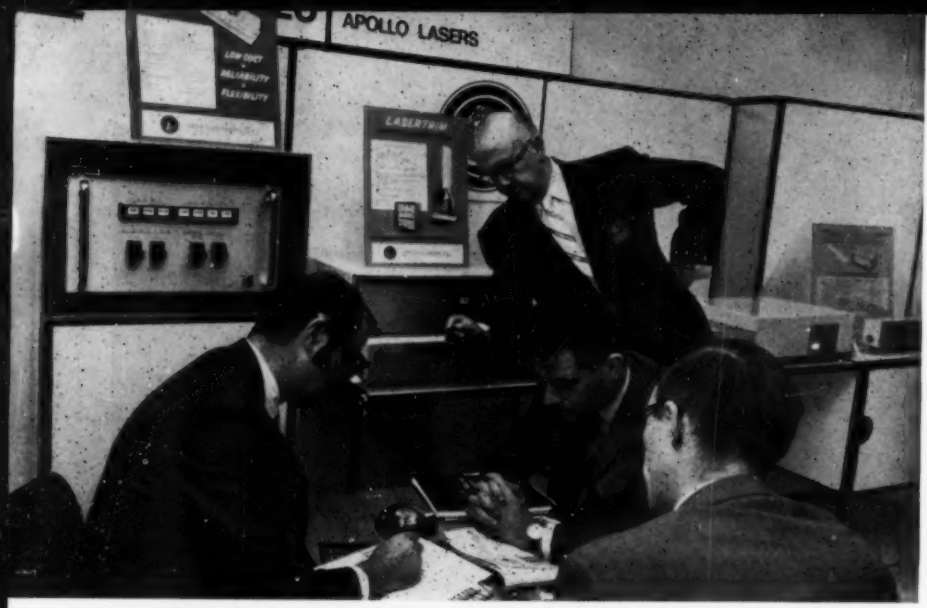
Other participants in the Paris show were: Airtron, Inc., Division of Litton Precision Products, Inc., Morris Plains, N.J.; American Optical Corp., South-

Next show at Paris

The Paris Trade Center's second exhibition will feature a display of electronics production equipment by U.S. manufacturers and suppliers, and will open Jan. 26 for a five-day run.

Forty American firms will have an opportunity to widen the U.S. share of the French market, which includes approximately 500 electronics equipment and component makers. France now ranks as Europe's third largest producer of electronics goods.

A market development campaign is now underway to assure U.S. exhibitors of a quality audience.



SALES DISCUSSION is held by Dr. Fred Burns (left), president of Apollo Lasers, with two French prospects as Arthur J. Rocke, president of Rocke World Trade Corp., a veteran in international trading, looks on.

SPECIAL RECEPTION FOR SWISS VISITORS was held in the Trade Center lounge. The American Embassy at Bern helped arrange a group tour by the scientists and businessmen, who were joined in Paris by others traveling singly from Switzerland. In scene below, detailed marketing information is given to a visiting group by M. J. Phillips, marketing manager for laser products of Holobeam, Inc., Paramus, N.J.

bridge, Mass.; Apollo Lasers, Los Angeles; Bendix International, New York; Broomer Research Corp., Plainview, L.I.; Carson Laboratories Inc., Bristol, Conn.; Coherent Radiation Laboratory, Palo Alto, Calif.; Cryophysics, S.A., Geneva, Switzerland, representing Quantronix Corp., Farmingdale, N.Y.; Crystalab Products Corp., Rochelle Park, N.J.; International Light, Inc., Newbury Port, Mass.; Brower Laboratories, Newton, Mass., and South Bay Technology, Inc., El Monte Calif., E. G. & G. Inc., Boston; B. Freudenberg, Inc., New York; Gaertner Scientific Corp., Chicago.

Glendale Optical Co., Inc., Wayne, N.J.; Harshaw Chemical Co., Cleveland; Holobeam, Inc., Paramus, N.J.; ILC Inc., Sunnyvale, Calif.; Isomet Corp., Palisades Park, N.J., Jodon Engineering Assoc., Inc., Ann Arbor, Mich.; Keuffel & Esser Co., Morristown, N.J.; Karl Lambrecht Corp., Chicago; Lansing Research Corp., Ithaca, N.Y.; Laser Diode Laboratory, Inc., Metuchen, N.J.; Oriel Optics Corp., Stamford, Conn.; Owens-Illinois International Division, Toledo; Photo Technical Research, Inc., Ann Arbor; Spectrum Systems Division, Barnes Engineering Co., Stamford, Conn.; Sylvania Electronics Systems, Inc., Mountain View, Calif.; TRW Instruments, El Segundo, Calif.; Trans World Airlines, Inc., New York; University Laboratories, Inc., Berkeley, Calif.

The next Commerce Department overseas exhibition in the laser field is the Electro-Optic Applications Exhibition scheduled for the London U.S. Trade Center next May 11-15 (see story on page 18).

ONE OF 2,397 REGISTRANTS, out of a total of 3,244 visitors, is greeted by Claude Capard, exhibit assistant. Visitors came from 30 countries.

VIRGINIA TRADE MISSION spent three weeks in Germany. Above, group returns to hotel after interviews.

Virginia mission to Germany sees interest in State's industries

Port, railroad, power, commercial officials visit industrial centers; find potential for immediate, long-term relationships

An Industrial Development Mission sponsored by the State of Virginia returned recently from Germany with a variety of good prospects for both immediate and long-term industrial relationships. Representatives of several interested German firms have already made follow-up visits to Virginia.

Members of the industry-organized Government-approved mission had more than 200 appointments in Germany's major industrial centers—Frankfurt, Duesseldorf, Hamburg, Berlin, Stuttgart, and Munich—over a three-week period, seeking German investment in Virginia for operations such as manufacturing, distribution, sales, and service facilities. The industrial specialists focused on interests of the State as well as of their own firms or organizations, all of which have development programs of their own.

The participants reported some 38 prospects with a high potential for relationships with Virginia firms—especially in machinery, motors, machine tools, and milling machines. Another 40 are viewed as long-range prospects—in the same fields and in chemical, electrical, and related industries. Also, almost 100 were interested in joint ventures or licensing.

One enthusiastic member wrote to Director Alspaugh after the mission's return to the United States:

"Our appointments were with top officials, well informed on their companies' activities and in a position to express their firms' interest in expanding in Virginia. On all the calls made, with the exception of one, I received encouragement that consideration would be given to some type of operation in Virginia—expansion, joint ventures, or a license arrangement."

The mission was composed of representatives of Virginia's utilities, railroads, private development corporations and the State Chamber of Commerce. The team was directed by J. Frank Alspaugh, Director of the Division of Industrial Development, joined by Fred G. Kessener, Director of the Division's International Trade and Development Department, and Denis E. Rufin, European director of the International Trade and Development Department.

The utility companies were represented by J. Randolph Perrow, manager, Area Development, Virginia Electric and Power Co., and James E. Jones, director, Area Development, Appalachian Power Co. The railroads were represented by Challen E. Caskie, assistant to the vice president, Industrial Development, Southern Railway System; James B. Gregory, general manager, Industrial Development, Seaboard Coast Line Railroad Co., and Charles E. Hunter, Jr., manager, Industrial Development, Norfolk & Western Railway Co.

Private development corporations sent James W. Fesmire, Industrial Commissioner, Bristol, Virginia-Tennessee Industrial Commission; Russell J. Hanson, executive director, Fairfax County Industrial Development Authority and A. J. King Meehan, executive director, Peninsula Industrial Committee. William C. Rigsby represented the Virginia State Chamber of Commerce as Director of Industrial Development.

Virginia has recently opened a new office in Brussels. This office serves the European businessman through three separate Virginia agencies: Virginia Division of Industrial Development, the Virginia State Ports Authority, and the Virginia Department of Agriculture and Commerce.

Two other State reverse investment missions have returned recently from business tours abroad: Pennsylvania, from Germany, and South Carolina, from London, Paris, Frankfurt, and Brussels.

More than half the States have organized trade missions under the Commerce Department's IOGA program, inaugurated in 1962.

Baltimore bank mission reports on South America

Each member of a trade mission to South America earlier this year has appointed an agent to represent his interests there, the group reports.

The five-man mission was conducted by Daniel Rosenfeld, vice president of the First National Bank of Maryland in Baltimore, under the Bank's auspices, to increase exports from the area.

The participants conclude that in all of the countries visited—Brazil, Colombia, Chile, and Argentina—"the seeds for increased trade have been planted."

Four firms were represented on the mission: Charles Barnes, Eastern Cap and Closure Co.; John Gayley, Hartford Metal Products, Inc.; Robert Jendrek, Commercial Steel Co.; and Walter Sackett, Jr., A. J. Sackett & Sons Co.

NFTC endorses trade bill

GATT director calls announcement good news; several additional proposals aired

The introduction of the Administration's proposed trade bill stole the show at the closing sessions of the National Foreign Trade Convention.

Although details of the bill were not immediately available, most of the businessmen indicated pleasure that the Administration was moving ahead in the trade field.

"The best news I have received since assuming my post 18 months ago," said Olivier Long, director general of the General Agreement on Tariffs and Trade.

The National Foreign Trade Council itself issued a statement commending the President's action in submitting the bill, expressing concern that the United States has lacked the legislative authority to negotiate compensatory tariff concessions since the previous trade bill expired in July 1967. "Of course we shall as always analyze very carefully and thoroughly the provisions of the legislation," the NFTC concluded. (Note: *A report on the early sessions of the NFTC meeting was included in last week's issue of* INTERNATIONAL COMMERCE.)

GATT Director Long's prepared address had been along less cheerful lines. He had called today's mood in the world trading community "a far cry from the sense of victory that immediately followed the successful conclusion of the Kennedy Round in 1967. Clouds today overhang the international trade scene.

"Following the conclusion of the Kennedy Round it was fully expected that governments, industry and traders would need time to digest and evaluate the potential effects of the Kennedy Round. We all knew that there would be a pause before the forward movement could be resumed.

How long can pause last?

"The question that one must now ask, however, is: how long can a pause reasonably last in a field as dynamic as world trade before it becomes damaging and before it undermines what has been built up with such difficulty over the past twenty years?" Long said.

"In many quarters around the world there is developing a real sense of unease on this point. The trading nations cannot simply live on the capital of tariff concessions accumulated during the past twenty years. In trade policy, as in business, capital is bound to shrink, and eventually to distintegrate, if it is not constantly fostered and built upon.

"Over the past two years the technical base from which to launch the next move forward has been under careful preparation in GATT. It has now reached the stage where it is possible to sketch out the framework for future action.

"In my judgment, the state of the preparatory work will be such that it would already be feasible, from the technical point of view, to envisage a time-table on the following lines: Member Governments, at their annual meeting in February 1970, would decide that exploratory conversations should be organized in GATT between member countries so as to establish the basis and the elements of a balanced negotiation, and at the same time enable governments to judge what negotiating authority they may need; at the end of 1970, or beginning of 1971, the member countries might decide to enter into negotiations; in the course of 1972, given the very important preparatory work that will have been realized, negotiations could reasonably be expected to be completed," the GATT director general said.

Eximbank programs detailed

Eximbank President Henry Kearns told the Convention that the need for government assistance in export financing has never been so critical in helping U.S. traders meet foreign competition, and outlined the steps Eximbank has taken to meet that need.

"We are devoting considerable effort to expanding the use of the Eximbank financial guarantee by commercial banks as a supplement to, or in place of, direct Eximbank loans," Kearns said.

"We are actively pursuing arrangements for extension of financial guarantees to cover loans made by foreign financial institutions for the purchase of U.S. goods and services. The foreign bank, through this program, can assist in the financing of exports to its home country or to a third country through the form of a credit payment in dollars for direct U.S. exports. Flexibility is the key descriptive word—credits can apply in any amount to any selected geographic area for nearly any category of product and in any combination of consortium arrangement."

Kearns also mentioned the formulation and expansion of a world-wide credit information service. Eximbank has available to it, by agreement, the full credit information, judgment and experience of the various international institutions such

WHERE DO WE STAND? is the question as the NFTC's Declaration Committee frames the group's positions on all the major areas of foreign trade policy. Below, Committee meets at 1969 Convention.

as the International Monetary Fund and the World Bank, as well as regional institutions such as the Asian Development Bank. "We have the experience of 36 years of operation, the successful handling of thousands of cases, and the free flow of information to and from credit institutions in other countries. This solid background makes it possible to provide a credit information service which can be truly useful and effective. It is available to any American bank without charge.

"We have restructured Eximbank's relending program. On a selective basis, our relending activities now will be directed toward the support of specific product sales in certain markets which are not now being penetrated to any significant degree. The Export-Import Bank will make available a line of credit at its favorable interest rate to a reliable financial institution in the country selected, specifying the term, conditions and products to be covered. It is intended to use this procedure as a seeding process, helping to put U.S. exports in the marketplace on a profitable basis, with distributors or other private sources subsequently carrying on by financing sales after the relending credit has expired," Kearns said.

"This program will be available also to world-wide and regional private distribution organizations, domestic and foreign, to open additional doors for marketing specific products. The relending program will, we are certain, promote business which otherwise would be lost to U.S. producers. In cooperation with the Department of Commerce, we have undertaken a study of specific industries offering the most promising expansion in exports.

"Another of the important new operating programs is that of providing financial backing to this country's highly advanced engineering and technological firms," Kearns said. "We are now prepared to effectively assist in the financing of early participation by these firms in the development of major projects such as airports, water systems and environmental control. Eximbank has significant resources and the facilities to help arrange the kind of financing necessary to back our technicians in the highly cometitive international market on at least an even basis. Too, we have instituted a new program to guarantee equipment shipped overseas for use in construction projects.

May defer taxes

Edwin S. Cohen, Assistant Treasury Secretary for Tax Policy, revealed that his Department is considering deferral of the U.S. tax on a domestic international sales corporation's income, as long as it is used in the corporation's export business or invested in export-related assets and not distributed to shareholders. Under the proposal, the income from investments in export-related assets would also be deferred.

TOP LEVEL GOVERNMENT OFFICIALS appearing at the Convention reaffirmed the Administration's strong support of the trading community. Above, Labor Secretary George P. Schultz talks with reporters.

"Domestic international sales corporation status would be available for the sale of goods produced in the United States by related and unrelated manufacturers and regardless of whether the income is earned by purchase and resale or through sales commissions," Cohen said.

"Inter-company pricing between such a domestic corporation and a related supplier would be subject to specific rules intended to assure an appropriate division of profit.

"In order to qualify as a domestic international sales corporation a company would be required to have, say, 95% of its gross receipts from the sale of goods manufactured, extracted or produced in the United States for use, consumption, or distribution abroad or from qualifying export related investments. Ancillary services related to exports would give rise to qualifying income, as would income from leasing and subleasing of export goods and interest on trade receivables and working capital deposits."

Cohen said that qualifying income would also include income of foreign sales and service branches and dividends from foreign sales subsidiaries which, except for their foreign site of incorparation, would themselves qualify as domestic international sales corporations.

Nothing definite yet

"I should emphasize that this and other approaches are now receiving study in the Treasury, and I am not now in a position to indicate when, or if, a formal proposal will emerge. However, the Treasury is aware of the need and we shall bend our efforts to move forward as rapidly as possible," Cohen concluded.

Secretary of Labor George P. Schultz concentrated on the human aspects of the process of change in the international trade field.

"In general, of course, international trade benefits the economy as a whole, bringing effective price competition, enlarged markets, wider job opportunities, and a greater range of goods for all our citizens," he said.

"With the great growth of trade and world markets, many facets of international competition have become intense. Technology and capital are no longer contained within particular national borders, world population is pressing upon the resources of the earth, and workers throughout this modern interconnected world are seeking more than ever the dignity of meaningful jobs and a living wage.

Schultz said that it used to be assumed that, because an expanding volume of trade was good and would bring with it

higher living standards, people and jobs would simply and automatically adjust to the process. However, this is no longer the case.

"The time has come for private enterprises to consider what they can do together to facilitate the adjustments required because of steps taken to expand trade. Those with a stake in the foreign field, particularly those who gain in terms of business and markets and profits by the expansion of trade, should have a special concern and an interest in making this process work," Sec. Shultz said.

Percy lists 'positive steps'

Sen. Charles Percy, former head of Bell and Howell, called on this country to take "positive and constructive steps which will stimulate trade," including: liberalized adjustment assistance; elimination of the disparities in outbound ocean freight rates and on rail rates on goods bound for export; and liberalization of trade with Eastern Europe.

Specifically, he said that the United States should gain the permission of GATT to subsidize U.S. exporters on some percentage basis, "for example, 5% or 10%," at such times when we are in overall balance-of-payments deficit. Many European members, under the value-added tax arrangement, grant subsidies to exporters even when the economy is in heavy trade and payments surplus, the Senator said. "I believe the United States should be able to employ the same authority in cases where we are in payments deficit. Foreign nations would not be so likely to retaliate under such conditions."

Trade opportunities exist today in all developing nations, Percy said. "We must act now to consider measures to attract and develop trade relations with them. To begin, we should expand trade by extending reasonable tariff preferences to the Western Hemisphere, as President Nixon and Governor Rockefeller have suggested."

Wants expropriation fund

Sen. Percy also advocated the establishment, within the World Bank, of a fund that would insure businesses against expropriation. "The Hickenlooper Amendment has not been successful in either preventing expropriation or in compensating business," he said. "By way of contrast, the World Bank, under such an arrangement would be able to reimburse an expropriated business through a kitty of fees and other charges. In turn, it would be in a good position to obtain fair repayment from the expropriating country. Otherwise the bank could refuse to extend further loans or exact similar penalties."

Nixon-Sato meetings bring promise of Japanese trade liberalization

Washington discussions also brought pledge of reduced capital restrictions; leaders agree on special economic responsibilities

Trade and investment problems were included on the agenda for talks between Japanese Prime Minister Eisaku Sato and President Richard Nixon which took place in Washington Nov. 19-21.

According to the joint communique issued by the two heads of government at the conclusion of their discussions, the Prime Minister "indicated the intention of the Japanese Government to accelerate rapidly the reduction of Japan's trade and capital restrictions."

At the departure ceremonies for Prime Minister Sato, the President said: "As the joint communique . . . indicates, we have resolved the last major issue which came out of World War II, the Okinawa problem. And further, we have made significant progress in the resolution of other bilateral issues in the economic field, as well as in the field of investment and trade, not only between our two countries, but in the Asian area."

With regard to the Okinawa question, the communique contained this passage of particular interest to some American businessmen: "The President and the Prime Minister took note of the fact that there would be a number of financial and economic problems, including those concerning U.S. business interests in Okinawa, to be solved between the two countries in connection with the transfer of the administrative rights over Okinawa to Japan and agreed that detailed discussions relative to their solution would be initiated promptly."

The text of the portion of the communique relating to other economic matters reads as follows: "In their discussion of economic matters, the President and the Prime Minister noted the marked growth in economic relations between the two countries. They also acknowledged that the leading positions which their countries occupy in the world economy impose important responsibilities on each for the maintenance and strengthening of the international trade and monetary system, especially in the light of the current large imbalances in trade and payments. In this regard, the President stressed his determination to bring inflation in the United States under control. He also reaffirmed the commitment of the United States to the principle of promoting freer trade.

"The Prime Minister indicated the intention of the Japanese Government to accelerate rapidly the reduction of Japan's trade and capital restrictions. Specifically, he stated the intention of the Japanese Government to remove Japan's residual import quota restrictions over a broad range of products by the end of 1971 and to make maximum efforts to accelerate the liberalization of the remaining items. He added that the Japanese Government intends to make periodic reviews of its liberalization program with a view to implementing trade liberalization at a more accelerated pace than hitherto. The President and the Prime Minister agreed that their respective actions would further solidify the foundation of overall U.S.-Japan relations."

Japan modifies rules governing outward investment

The Japanese Government has eased somewhat its restrictions on investment abroad by Japanese individuals and companies.

Overseas investments, including loans, up to an accumulated balance of $300,000 per foreign corporation (formerly $50,000) may now be "automatically" approved by the Bank of Japan provided, however, that the foreign corporation for this purpose is one in which Japanese ownership is 25% or more and which has at least one regularly employed Japanese official.

Ineligible for such "automatic" approval are investments in foreign firms engaged in (1) the production and sale of arms, ammunition, and war supplies; (2) fishing regulated by treaties or requiring approval of the Ministry of Agriculture and Forestry; (3) cultivation of pearls; and (4) banking and securities. Prior to Oct. 1, when the new regulations

entered into effect, the automatic approval process did not apply to individuals.

The regulations, which appear in Ministry of Finance Memorandum No. 5754 of Sept. 30, make a distinction between investments up to $200,000 in value and those between $200,000 and $300,000. Apparently the former are subject to less scrutiny by the Government than the latter. In either case, the competent Ministry may conduct case-by-case investigations if it is determined that the proposed investment may seriously affect the Japanese economy. The Bank of Japan is authorized to approve a $200,000-$300,000 investment proposal only after having given appropriate ministries three weeks to examine the proposal.

The significance of the Government's action depends upon how liberally the new regulations are administered.

Austrian tariff cuts should benefit U.S. exporters

To avert domestic price increases resulting from higher prices of German imports after the recent revaluation of the German Deutschemark, Austria put into effect on Nov. 15 temporary tariff reductions on some 70 items. The new rates represent cuts of approximately 25% to 50%.

The tariff cuts on items of special interest to U.S. exporters, with the old and new tariff rates in parentheses, are as follows: solid coffee extracts, (24% to 12%); plant protecting agents, (5% to free); rubber tubing, (19.8% to 12%); truck tires, (27% to 20%); spraying equipment, (17.2% to 10%); shovel loaders, (10.6% to 7%); lifting and conveying equipment, (15.4% to 10%); commercial laundry machines, (19% to 15%); record players and dictaphones, (21.8% to 14%); sound recording media, (12.2% to 6%); phonograph records, (16.2% to 10%); and toys, (15-27% to 10-18%).

A complete list of the temporary tariff reductions is available upon request from the European Division, BIC, Department of Commerce, Washington, D.C. 20230.

Iran now requires prior approval for some imports

The import of foodstuffs, drinks, cosmetics and hygienic articles into Iran are now subject to prior agreement of the Iranian Ministry of Health.

The commodities affected include meat, fish, fowl, milk, fruit, and vegetable products; edible fats and oils; sweets and hard sugar; products of cereals; alcoholic and non-alcoholic drinks; sherbets (fruit drinks); pickles and their products; tea, coffee, cocoa and the like and their products; cosmetics and strengthening materials thereof; disinfectants and insecticides; hygienic and sanitary articles; containers and packings for articles of food, drink and toilet; vessels for preparation, production, and manufacture of articles of food, drink, toilet and hygiene and for cooking foods and drinks; cold storage, hygienic, and other implements for preserving foods, drinks, and toilet articles.

Australia adjusts some import duties

On Oct. 17 the Australian Minister for Trade and Industry released three reports of the Tariff Board on drawing instruments; syringes and needles; and belts, belting and woven cotton fabrics. The Government accepted the recommendations and findings in each of the reports, and the resulting duty changes became effective Oct. 20.

The Tariff Board report on drawing instruments recommended that the duties on "drafting machines" be increased from 30% General (applicable to imports from the United States) and 20% Preferential to 40% General and 30% Preferential. The duties on steel measuring tapes less than 15 feet in length were reduced from 35% General and 27½% Preferential to 27½% General and 20% Preferential. A uniform level of duties of 35% General and 17½% Preferential now applies to other drawing and calculating instruments covered by the Tariff Board's recommendations.

In the report on syringes and injection needles, the Tariff Board recommended that duties on syringes of artificial plastic materials be reduced from 35% General and 25% Preferential to 30% General and 20% Prefrential, while duties on other syringes would remain at 7½% General and Free Preferential. For the present, the existing duties of 42½% General and 25% Preferential would continue to apply to injection on puncture needles, whether or not the needles were imported with syringes.

The adoption of the Tariff Board's report on belts and belting, and similiar items, would result in a reduction of duties on metal reinforced rubber belting. Other types of textile conveyor belting are now dutiable at increased rates of 40% General and 30% Preferential.

Canadian firms plan 14% higher capital outlays during 1970

According to a survey released by the Canadian Government, capital expenditures by private firms may increase by 14% in 1970. This figure is based on a field survey of the 1970 capital spending intentions of some 150 large companies in Canada. The survey is designed to provide a preliminary indication of the likely trends in total business investment in the coming year.

Surveyed firms plan to increase expenditures on new construction, machinery and equipment from C$5,328 million in 1969 to C$6,064 million in 1970. In 1969 the same companies raised their spending by about 5% compared with 1968. The increase indicated for 1969 is somewhat less than these firms had planned earlier in the year.

To a considerable extent this shortfall in accomplishing plans resulted from delays due to construction and other industry work stoppages. For the most part programs that were delayed in 1969 have been carried over into 1970 and account for a significant part of the gain in spending planned.

Most major industry groups expect to raise their outlays on new construction, machinery and equipment in 1970 with particular impetus coming in the manufacturing sector where plans involve a 30% advance. Only mining companies anticipate that their outlays on new capital will be lower in 1970 than in 1969.

Are good indicators

The 150 large companies account for about 60% of total nonagricultural business investment in Canada. Past experience indicates that their investment intentions reflect very closely the intentions of the business community as a whole.

The capital spending plans as outlined relate to major sectors of private business investment only. Investment by agriculture, fishing, house-builders, governments and institutions are excluded. Based on preliminary indications the Canadian Government believes that any increases in 1970 capital programs in these sectors will be moderate. For this reason expenditure on new construction, machinery and equipment for 1970 for the economy as a whole is likely to advance at a much more moderate rate than presently indicated for large business firms.

EXHIBITIONS, TRADE CENTERS, TRADE MISSIONS

United States overseas

U.S. firms interested in entering exporting for the first time or seeking to expand overseas markets, will find assistance in the columns below listing details of future U.S. overseas activities.

Sales opportunities in seven U.S. exhibitions at commercial trade fairs around the world, one America Weeks promotion and 19 shows at the seven U.S. Trade Centers are being offered to present and potential U.S. exporters between now and June 22, 1970. The shows and commercial fairs are planned after market research indicates a demand for a particular category of products. America Weeks displays are overseas retail sales promotions of U.S. consumer goods.

Currently, six upcoming Trade Center exhibitions are sold out.

Other opportunities of interest are trade missions and the Sample Display Service. The last is more fully described in a special notice accompanying this list.

Of the 27 events in nine nations for which the Bureau of International Commerce is now seeking exhibitors, Germany and the United Kingdom will host five shows each, Italy and Japan will host four shows, France will host three, Sweden two, and Mexico, Spain and Thailand will host one each.

Each Trade Center exhibition is limited to one particular line of products. Centers are located in London, Bangkok, Milan, Frankfurt, Stockholm, Tokyo, and Paris.

For further information on the Trade Center shows described in this listing, or for more facts on U.S. exhibitions at overseas trade fairs, **write:** Commercial Exhibits Program, BIC-932, U.S. Dept. of Commerce, Washington, D.C. 20230.

Trade missions are groups of U.S. businessmen organized to travel abroad to promote the export of U.S. goods and services manufactured by their particular industry. Some are organized and financed by the U.S. Government, while others are originated and paid for by various U.S. industries with Government approval and assistance. **Write:** Trade Missions Division, BIC-926, U.S. Department of Commerce, Washington, D.C. 20230.

The following calendar of upcoming American trade promotion activities is based on the latest data available. It appears regularly in the first issue of INTERNATIONAL COMMERCE each month.

WATER SUPPLY AND SANITATION EXHIBITION-SEMINAR. Thailand. An exhibition of water, sewerage and drainage systems, and related hardware and equipment will be featured in a trade show limited to 25 firms and will include several models of water and sewage systems as featured displays to draw attention to characteristics of U.S. equipment. The Consulting Engineers Council of the United States has agreed to sponsor a trade mission to Southeast Asia of engineering specialists in the field of water supply, sewage and waste treatment. This mission will coincide with the trade show in Bangkok. Also, a 3-day seminar will coincide with the trade show/trade mission and will be a main feature of the municipal development project. For more information on this exhibition call 202-967-5148. **Bangkok Trade Center. Jan. 19-24, 1970.**

CRYOGENIC AND VACUUM EQUIPMENT. Japan. Growth and vigorous activity continue to characterize Japanese industry. A GNP over $140 billion is envisioned for 1969. American manufacturers of cryogenic and vacuum equipment should find an excellent opportunity to sell advanced and more sophisticated equipment. In Japan, the recognition of the value to industry of both cryogenic and vacuum equipment is expanding, and the U.S. is a leader in the field. A recent market survey shows sales potential existing for a wide range of products including: hydrogen and nitrogen liquid pumps, refrigeration equipment and cryostats, cryobiology equipment, food freezing systems, rotary compressors, vacuum deposition monitors, vaporizers, vacuum chambers, air and gas conditioners and instrumentation and controls. Additional potential exists in areas of specialized engineering and design services for complete cryogenic plant design, freeze drying equipment, cryogenic food freezing systems and temperature rated conveyors. For more information on markets and details on participation, call 202-967-4512. **Tokyo Trade Center. Jan. 26-31, 1970.**

CONSUMER PRODUCTS. Thailand. The ninth U.S. Department of Commerce America Weeks promotion in the Far East is scheduled for the Central Department Stores in Bangkok, Jan. 31-Feb. 15, 1970. A wide selection of U.S.-made consumer merchandise will be displayed. Also featured will be highlights of U.S. accomplishments in space exploration. Commerce will support the promotion with space exhibits and artifacts from actual Gemini space flights borrowed from the Smithsonian Institution. For more information, write America Weeks (BIC-926), U.S. Department of Commerce, Washington, D.C. 20230, or telephone 202-967-2051. **America Weeks. Jan. 31-Feb. 15, 1970.**

PHOTOGRAPHY FOR SCIENCE, INDUSTRY. Italy. With few exceptions Italy is a net importer of cameras and other photographic products. In 1968 Italians bought approximately $5.5 million in U.S. photographic equipment which is respected for its precision and durability, and is a 22% share of a market which it is believed will continue to develop rapidly over the next several years. Italy's rising standard of living and high rate of industrial expansion, the highest in Europe, have increased the range of potential users of photographic equipment in industrial and scientific research sectors. American products ranging from automatic electronic photo processing laboratories through photogrammetry instrumentation and high-speed motion picture cameras will find a receptive market. This special display opportunity for U.S. manufacturers will be held in Milan, a city in the center of the Italian photographic products market. For further market information and details about exhibiting, call 202-967-3968. **Milan Trade Center. Feb. 10-14, 1970.**

promotions scheduled

NUCLEAR INSTRUMENTATION AND EQUIPMENT. Germany. During the next ten years expenditures are slated to total $6.25 billion for 30 to 50 new atomic power stations; until 1980, approximately 70% of all newly constructed power plants will be of the nuclear type. The Third German Atom Program of 1968-72 will provide government funds for nuclear research and development in the amount of $1.25 billion, an increase of 53% over funds allotted by the Second Atom Program of 1963-1967. In Germany, some 70,000 scientists and engineers are currently engaged in basic and applied research with radioactive materials in over a thousand laboratories. At present, 80% of all sales in the nuclear market are directed at the public and private research centers and institutes, however, knowledgeable sources anticipate the share of sales to the industrial sector to rapidly increase in the foreseeable future. Sales to the industrial sector should undergo dramatic change as German industry begins to employ, on a wider basis, radioisotope and irradiation techniques in their production processes. Until now, rigorous provisions of the German Radiation Law have retarded the use of this advance technology in such industries as food processing, textiles, plastics, and electronics. These dynamic changes have created excellent sales potentials in this market for advanced nuclear instruments and equipment; a strong selling point for instrument manufacturers would be their ability to offer complete integrated nuclear systems. This exhibition will feature instrumentation for commercial application of irradiation and radioisotopes technology; and radiation protection, measuring, and control; and equipment for reactor construction and operation. U.S. firms who are now in the German market or are new to exporting and are interested in participating in this exhibition and the growing nuclear market in Germany may secure information by phoning 202-967-2425. **Frankfurt Trade Center. Feb. 16-20, 1970.**

INDUSTRIAL ASSEMBLY EQUIPMENT, SUPPLIES. Japan. The demand for industrial assembly equipment and supplies is growing rapidly in Japan. Demand is estimated to increase up to 50% annually for some products in the next several years. Imports currently amount to about $6 million annually with the U.S. having the major share. U.S. equipment and supplies are superior in quality and sales could be increased considerably with aggressive sales promotion. Excellent sales potential has been identified for 38 product categories including torque tension testers for assembly lines, special metal and plastic fasteners, blind and bolt type rivets, spring steel and spread nut type fasteners, torque equipment for portable power and hand tools, and numerically controlled welders. Other U.S. products with favorable marketability are several specialized adhesives, sealants and tapes; assembly equipment such as automatic bolts and threaders, presses, riveters and clamps; special purpose nuts, bolts, screws, studs, pins, inserts, rivnuts, retaining rings, weld fasteners, latches and clamps; pneumatic staplers and nailers, power screw drivers, nut setters; laser and multi-station welders, stud welding systems; and positioning systems for welding and soldering work. For complete details, telephone 202-967-4511. **Tokyo Trade Center. Feb. 23-28, 1970.**

INDUSTRIAL AIR QUALITY TREATMENT EQUIPMENT. Italy. The need for clean air to manufacture many new products, workers' desire for a clean working environment, and an increasing concern over air pollution are factors causing a favorable market for U.S. manufacturers of air quality treatment equipment. U.S. air quality treatment equipment now enjoys a position of high esteem in Italy. Excellent sales potential has been identified for advanced equipment used to remove gases and particles from controlled air environments, for air quality instrumentation, special air filters, and selected items introducing clean room equipment, clean benches, and odor control devices. For information call 202-967-5351. **Milan Trade Center. Mar. 1-8, 1970.**

FOOD PROCESSING, PACKAGING, COMMERCIAL AND INDUSTRIAL REFRIGERATION AND AIR CONDITIONING EQUIPMENT. Spain. The Spanish economy is in a new phase of expansion. Demands for imports are up and U.S. trade prospects are better than at any time since devaluation of the peseta in 1967. Spain's Second Economic and Social Development Plan assigns high priority to modernization of the country's food processing and distribution system. Spain is already a fine market for U.S. air-conditioning and refrigeration equipment, and the current Plan will emphasize development of the National Refrigeration Network, for which U.S. companies are expected to furnish much of the refrigeration and air-conditioning machinery and component parts. For complete information about participation in this exhibition, telephone 202-967-3944. **U.S. Solo Exhibition, Madrid. Mar. 2-7, 1970.**

ELECTRONICS PRODUCTION AND TESTING EQUIPMENT. Scandinavia. All types of materials, production, assembly, and test equipment for electronics may be exhibited at this show which will be directed to over 500 Scandinavian manufacturers producing $600 million of electronic equipment and components. Sweden, with 200 companies producing $400 million of electronic equipment is the largest of the four-country market area. The electronics industry is growing by 10% per year in all four Nordic countries. Major products produced are: radio and TV sets, military electronics, telecommunications equipment, computers, calculating machines, measuring and control instruments, electro-medical apparatus, radio navigation and radar, capacitors, resistors, printed circuits, semiconductors, and relays. Scandinavian manufacturers of electronic equipment and components must buy the latest in production and test equipment in order to remain competitive in home and world markets. For further information call 202-967-4421. **U.S. Trade Center for Scandinavia, Stockholm. Mar. 11-17, 1970.**

SOPHISTICATED MATERIALS FOR THE ELECTRONICS INDUSTRY. Germany. The German electronics industry

occupies a key position among that country's growth industries. Broad application of electronics technology in other industry has caused the electronics market to grow at an annual rate of 5-6%; in 1968 this market totaled $1.7 billion. Several sectors of this market—computers and industrial process controls—experienced annual rate increases of 12-20%; semiconductors, particularly integrated circuits, jumped 62% in 1968 to $7.6 million. Estimates for the 1970 integrated circuits market have been put at $20 million. Continued growth and development in this industry is anticipated in view of the overall growth of the entire German economy. The electronics industry's expansion is intimately connected with the availability of advanced materials which can broaden and increase the application of electronic technology. Electronic designers and engineers need sophisticated materials with specific electrical, physical, chemical, and mechanical properties to ensure the reliability and performance of the many electronic devices finding their way into daily commercial and industrial life. For more information on a growing market and details on how to participate, telephone 202-967-3088. **Frankfurt Trade Center. Mar. 16-20, 1970.**

PRINTING AND BOOKBINDING EQUIPMENT EXHIBITION. France. Wages in the French printing and binding industry have increased an average of 60% since 1966. Mounting labor costs combined in many cases with the problem of aging plants and equipment are forcing French printers and bookbinders to invest in new, high-speed machinery. U.S. manufacturers are established leaders in production of modern equipment suited to French industry needs. French printers show a definite interest in American techniques in photo typesetting, presensitized plates, automatic film developing, sheet fed and web offset, and automated binding. U.S. exports to France of this type of equipment amounted to over $6.5 million in 1967, and increasing demands are being reported for the products listed above. For further information on the market and how to participate, telephone 202-967-3822. **Paris Trade Center. Mar. 17-21, 1970.**

SECURITY, SAFETY AND FIRE PROTECTION EQUIPMENT. Japan. The increase in size and complexity of Japanese industrial and commercial establishments, together with increasing labor shortage and wage hikes, has created a need for business organizations to maintain the security of their businesses and properties by rationalizing and mechanizing safety systems. With the increase in industrial espionage and complexity of crimes, demand has been expanding for more sophisticated American equipment because of its more innovative and advanced features. In addition, Japanese police and fire departments are a potential market for American made equipment and systems for crime detection, riot control, traffic control and fire fighting. For complete information concerning participation in this exhibition, call 202-967-4919. **Tokyo Trade Center. Mar. 23-28, 1970.**

PULP AND PAPER EQUIPMENT. United Kingdom. The United Kingdom is unique in the pulp and paper industry. It is the largest producer-consumer in Western Europe, and, the world's largest importer of wood pulp and pulpwood. To maintain this precarious productive strength, this British industry is being forced to streamline its operations, to automate processing. More efficient and profitable operational systems and equipment are being sought from U.S. manufacturers. For complete details on this opportunity in the United Kingdom, telephone Lee W. Swift, 202-967-4461. **London Trade Center. Apr. 6-10, 1970.**

MATERIALS HANDLING EQUIPMENT AND COMPONENTS. Scandinavia. The Scandinavian countries comprise an estimated $300 million market for materials handling equipment with imports supplying about one-third of the requirements. Sweden alone represents a $150 million market and accounts for nearly half of all imports. With demand growing for all types of labor-saving and handling equipment in the Nordic countries, this April 1970 show in Stockholm will offer U.S. manufacturers of materials handling equipment and systems an excellent opportunity to broaden their product exposure and increase their sales in this expanding market. Strong sales potential has been indicated for automated storage, retrieval, and inventory control systems, mobile and overhead lifting and carrying equipment, industrial trucks, hydraulic and electrical components, remote controls, related accessories, and maintenance equipment. This show is expected to benefit from a meeting of the Swedish Materials Handling Society, with over 900 members throughout Scandinavia, to be held in Stockholm at the same time. For further details about this exhibition and an expanding market, call 202-967-5751. **U.S. Trade Center for Scandinavia, Stockholm. Apr. 13-18, 1970.**

HI-FI AND STEREO EQUIPMENT EXHIBIT. Germany. Since German sound enthusiasts are increasing in number and are becoming more sophisticated, their quest for better sound reproduction offers new opportunities for U.S. manufacturers of hi-fi and stereo equipment. The U.S. share of this market now exceeds $10 million and as market indicators show, demand will continue at a high level. Germany has purchasing power and the right marketing and distribution system to make this exhibit a success for dealers, distributors and consumers. More information is available from Andre Williams; call 202-967-2425. **Frankfurt Trade Center. Apr. 14-19, 1970.**

MEAT, FISH, POULTRY PROCESSING EQUIPMENT, SUPPLIES. Italy. Italy has one of the Common Market's most rapidly expanding meat processing industries. Demand for advanced equipment has increased greatly in the past decade and the market is expected to grow by 50% during the next five years. These developments reflect Italy's constantly improving standard of living and are a direct result of the Italian consumer's growing demand for better processed and canned meat, fish and fowl. Display equipment indicated for this exhibition ranges from advanced slaughtering and rendering equipment to slicers, boning devices and frozen meat equipment to supply the many new supermarkets opening in Italy. This special display opportunity is scheduled to coincide with the annual Milan International Samples Fair, an important meeting place for Italian businessmen. Call 202-967-5351. **Milan Trade Center. Apr. 14-25, 1970.**

PRINTING AND GRAPHIC ARTS EQUIPMENT. Mexico City, Mexico. Printing and graphic arts is one of Mexico's fastest growing industries and presently ranks as the fourth largest in the country. Current productivity amounts to about $272 million and forecasts call for this figure to triple by 1975. With the exception of some small machinery, there is virtually no manufacturing of printing and graphic arts equipment in Mexico. As a result, importation is required. In 1968, on total imports valued at approximately $21 million, the U.S. share was about $12.8 million or 59.2%. For complete information about participation in this exhibition, telephone 202-967-3848. **U.S. Solo Exhibition, Mexico City, Mexico. Apr. 20-25, 1970.**

HANOVER AIR SHOW. Germany. The specialists of the aircraft and aircraft components fields will be present at the Hanover Air Show in 1970, the second largest air show in the world and held every two years. The growth of the German aero industry centers around both military and civilian expansion. In the military field Germany will spend approximately $1 billion over the next five or six years on U.S. aircraft. The ten major commercial airports will spend $335 million on expansion and modernization in the next 2½ years. They expect an increase in passenger traffic from 18.6 million in 1967 to 70 million in 1977—a 375% increase in ten years. Firms wishing to participate in this outstanding exhibition should telephone 202-967-4073. **German Aviation Show, Hanover 1970. Apr. 24-May 3, 1970.**

ELECTRO-OPTIC APPLICATIONS. United Kingdom. Britain, along with Europe, is moving from the experimental to the application stage in electro-optics. Annual U.K. purchases are estimated at $2 million in mid-1969, and the volume of business in electro-optical equipment is expected to at least double within the next three years. Experts currently claim that European developments are five years behind the U.S. level of accomplishment, but with industry in Europe now looking at electro-optical devices as practical tools, this gap can be expected to close rapidly. U.S. manufacturers wishing to share the growing market for electro-optical equipment in the U.K. and Europe should call 202-967-4653. **London Trade Center. May 11-15, 1970.**

INDUSTRIAL INSTRUMENTATION AND COMPUTERS. England. For the third consecutive time the U.S. Department of Commerce is mounting an exhibition within an exhibition at the London International Instruments, Electronics, and Automation Fair, one of the largest and most important shows of its kind which is staged biennially in the United Kingdom. In 1968 when I.E.A. was last held, more than 112,000 visitors including 9,431 registered foreign trade visitors viewed the wares of 927 exhibitors from 18 countries. This exhibition which covered approximately 500,000 square feet of space generated an estimated $75 million in sales. The U.S. exhibition at I.E.A. will feature industrial measuring, testing, and controlling instrumentation and computers. For further information on this exhibition, call Gene Shaw, 202-967-3838. **U.S. Commercial Exhibition, International Instruments, Electronics and Automation Fair (I.E.A.), London, England. May 11-16, 1970.**

ADVANCED MEDICAL EQUIPMENT EXHIBITION. France. Sales of American made medical equipment to France are rising. Improvements in medical care are causing a growing demand for a wide range of items. The U.S. sold almost $5 million worth of medical equipment to France in 1968, up from $2.3 million in 1966. Prospects for greater sales are promising. The outlook is particularly good for specialized devices and recently developed equipment. To assist U.S. companies, a promotion for a selected audience of hospital administrators, physicians, medical technicians, government officials and other potential buyers of medical equipment is planned. For further information on the market and promotion, telephone Charles M. Whitley, 202-967-4961. **Paris Trade Center. May 12-16, 1970.**

METAL SURFACE TREATMENT EQUIPMENT AND SUPPLIES. Japan. Continued expansion of Japan's industry has generated an expanding demand for the most advanced metal surface treatment equipment and supplies. Japanese demand for metal surface treatment equipment totaled $83 million in 1968, half of which was for plating equipment. The majority of this equipment was used by the major firms in steel, automobile and electrical machinery industries. Based on the estimated annual increase in demand of 10%, consumption of metal surface treatment equipment is expected to total $111 million by 1971. The latest fully automatic plating equipment is expected to have strong demand as is electrostatic powder plating equipment and sonic cleaners and instruments for testing treated surfaces for the ability to withstand heat, moisture, compression and stress. Advanced treatment chemicals and paints are also in demand. For complete details call 202-967-5622. **Tokyo Trade Center. May 18-23, 1970.**

CHROMATOGRAPHY AND SPECTROSCOPY EQUIPMENT. Italy. Italy's economy is one of Europe's strongest. Its chemical, petrochemical and pharmaceutical industries are expanding at a fast pace. These and other sectors of the Italian economy, including the medical field, offer excellent sales opportunities for U.S. manufacturers of chromatography and spectroscopy equipment. The U.S. is already the largest foreign supplier of these products in Italy and buyers will continue to rely heavily on U.S. suppliers as they carry out plans to modernize the industries. For further market information on this show which is now scheduled for Mid-May, and for details on how to increase sales through this exhibit, call 202-967-3968. **Milan Trade Center. Mid-May, 1970.**

MEASURING AND TESTING EQUIPMENT. France. The U.S. Department of Commerce is sponsoring an exhibition at one of the most important trade fairs of its kind in Europe —MESUCORA. Scheduled in Paris, May 27 to June 4, 1970, MESUCORA is a triennial show featuring measuring, testing, controlling, regulating and automating equipment. The 1967 show drew 100,000 scientists, engineers, and corporate decision-makers from all over Europe. More than 1,300 firms from 20 countries showed their products. U.S. firms showing in the Commerce-sponsored display at MESUCORA in 1967 recorded impressive sales figures as a result of their participation, and the 51 exhibitors reported signing 76 agents. The U.S. display at MESUCORA 1970 will contain products including automation systems, industrial process flow instrumentation, industrial process direct digital control, physical properties testing equipment, nuclear instrumentation and thermal instrumentation. U.S. firms who have the latest technology and who can supply aggressive market policies should take advantage of this opportunity to reach the important European markets. For information on how to participate contact John Anderson, U.S. Department of Commerce, Commercial Exhibitions Program (946), Washington, D.C. 20230, or call 202-967-2835. **U.S. Commercial Exhibition, MESUCORA. Paris. May 27-June 4.**

CRYOGENIC AND VACUUM EQUIPMENT. United Kingdom. Stimulated by aerospace technology, industrial and research applications for cryogenic and vacuum equipment have soared in the U.K. The strong market potential is evidenced by the user industries which include steel, chemical, petrochemical, electronics, food processing and gas supply industries; many organizations engaged in research and development. With the current U.K. market estimated at between $35 and $50 million and an expected growth rate of 10% during the next several years, U.S. firms with new and advanced cryo-

genic and vacuum equipment should garner extensive sales in this mushrooming market. For further information write to U.S. Department of Commerce, Commercial Exhibits Program, BIC 942, Room 6222, Washington, D.C. 20230. **London Trade Center. June 8-12, 1970.**

MEASURING, RECORDING AND CONTROL INSTRUMENTATION FOR THE CHEMICAL INDUSTRY. Germany. The Department of Commerce will organize a U.S. exhibition of instrumentation for the chemical industry at ACHEMA 1970. The fair, held every three years, is regarded as the world's leading showplace for equipment for the chemical industry. Call 202-967-2425. **U.S. Commercial Exhibition, ACHEMA 1970—16th Chemical Engineering Exhibition and Congress, Frankfurt. June 17-24, 1970.**

PACKAGING MACHINERY AND MATERIALS. England. PAKEX '70, the London International Packaging Exhibition is one of the largest and most important specialized fairs of its kind to be staged in Europe in 1970. In 1967, when the last event was held PAKEX's 500 exhibitors including 167 from 18 countries throughout the world attracted 35,000 visitors including 2,100 from outside of England. The total U.K. packaging machinery market increased from $59.5 million in 1966, to $64.5 million in 1968. On total imports valued at $24.9 million in 1968, the U.S. captured approximately $6.6 million of the total. For detailed information concerning participation and the current market for packaging machinery and materials, write U.S. Dept. of Commerce, BIC/CEP Room 6222, Code 942, Washington, D.C. **U.S. Commercial Exhibition, PAKEX '70, London, England. June 22-26, 1970.**

Space fully booked

The following shows, in which all available exhibit space has been reserved, are still open for visits by interested representatives of the industries involved. U.S. firms with sales representatives or distributors in the area of any of the listed Trade Centers and exhibitions can ask these local businessmen to visit the shows to see the 'state of the art' in each particular field.

GEOPHYSICAL EQUIPMENT, Germany. Germany and surrounding European countries offer excellent sales opportunities for U.S. manufacturers of sophisticated geophysical equipment. Their participation in a growing number of international geophysical research programs requires the application of the most advanced methods and equipment. While German researchers have long had a local supply of excellent precision mechanical equipment, they look to U.S. sources of supply for advanced electronic equipment. **Frankfurt Trade Center. Dec. 1-5.**

METALLURGY '70. United Kingdom. The U.K. Government is planning massive investments in the public sector of the steel industry to modernize equipment and facilities to improve the industry's competitive position in world markets. Special loans are to be made to the private sector of the aluminum industry in order to establish a primary production capability to meet the major share of U.K. consumption needs in this metal. Only 10% of aluminum consumed is now produced in the U.K. **London Trade Center. Dec. 8-12.**

ELECTRONICS PRODUCTION EQUIPMENT. France. France is the third largest manufacturer of electronic products in Europe. Total sales of this industry was in excess of $1.9 billion in 1967, up a healthy 10% over the previous year. Recent reports indicate that private outlays on plant and equipment in 1969 may increase as much as 22% over 1968. **Paris Trade Center. Jan. 12-17, 1970.**

Sample Displays

A Sample Display Center is just what its name implies—a place to show samples of U.S. products.

U.S. firms without agents in the area may use any Center to present their products to prospective local agents and distributors.

Centers are supervised by U.S. commercial officers at the embassies in the host countries. U.S. products and descriptive literature may be displayed without charge for 30 days.

For information on the Centers in Bangkok, Beirut, and Nairobi, write: Sample Displays, BIC-918, Department of Commerce, Washington, D.C. 20230.

For the Sample Displays at Addis Ababa and Hong Kong, write to the Commercial Attache at the American Embassy in Addis Ababa and the Consulate General in Hong Kong.

DATA TRANSMISSION FACILITIES. United Kingdom. Great Britain and the U.S. are the largest and fastest growing markets for data transmission facilities. In Britain and in the U.S., it is predicted that by 1975 data communication from computers will exceed voice communication. To meet the demand for advanced U.S. data transmission facilities, the annual January computer exhibition will feature input-output terminals, modems and other interface connectors with transmission lines and computers. **London Trade Center. Jan. 19-23.**

BIOCHEMICAL TEST, CONTROL EQUIPMENT. United Kingdom. Use of biochemical test and control equipment in Britain is seen expanding in the future. Capital expenditure on biochemical instruments is expected to top $31 million in 1970, with 28% for imports and about three-quarters of these imports coming from the U.S. This exhibition will be promoted to potential buyers in the U.K. among food and beverage processors, drug and chemical processors and biochemical research laboratories. **London Trade Center. Feb. 16-20.**

SCAN-BUILD '70. Scandinavia. This important exhibition being held Feb. 18-24, 1970, in Stockholm is aimed at the large Scandinavian market that exists for building products and building materials; tools and light construction equipment, and heating, ventilating and air conditioning systems. U.S. manufacturers of sophisticated and advanced building products will have a unique opportunity to increase their sales in this market in which Sweden accounts for $578 million. The U.S. presently accounts for 10% of Swedish imports of such products. The strong demand for housing in Scandinavia plus the high government priorities assigned to home building in Sweden due to present shortages, provide American firms with a favorable climate in which to increase their share of Scandinavian imports of these products. **Trade Center for Scandinavia, Stockholm. Feb. 18-24, 1970.**

U.S. makers of sophisticated materials for electronics to exhibit at Frankfurt

Germany expected to produce $2 billion worth of electronic products this year; plastic consumption is expected to rise almost 60% yearly

The German market in sophisticated materials for electronic products is growing at a brisk pace, matching Germany's year-to-year increase of 5 to 6% in consumption of electronic equipment and components.

An exhibition sponsored by the U.S. Department of Commerce at the U.S. Trade Center in Frankfurt next Mar. 16-20 will provide a showcase for American manufacturers of such materials as plastics, impregnants and sealants, special metals, ceramics, superconductors and semiconductors.

U.S. suppliers rank second only to German firms in supplying materials to the German electronics industry—a major growth industry that produced $1.7 billion worth of goods in 1968. Production is expected to jump to $2 billion for 1969 and continue to grow at an annual rate of 5 to 6%. Some sectors—such as computers, industrial controls, and test and measuring equipment—are expected to rise by 12 to 20%.

German buyers appreciate the quality of many U.S.-made materials. They also want shorter delivery times than those offered by German suppliers struggling to keep up with boom demands. These two factors could give U.S. manufacturers of technologically advanced materials for the electronics industry a boost toward increasing their share of the German market.

Strong sales potential

Commerce market research shows some materials promise particularly heavy demand. Plastics consumption is expected to rise as much as 60% a year for several years, reflecting the trend toward use of smaller, lighter components that can perform reliably in extreme environments.

Demand for impregnating agents and sealing compounds may jump from 20 to 50% over the next few years. Superconductor sales could rise to 50% over the current level as effects of rising computer production come into view.

A detailed market study by the Commerce Department's Bureau of International Commerce, which will stage the Frankfurt show, identifies these materials as having outstanding sales potential:

Plastics (epoxide, polystyrene, polyamide, polypropylene, polyacytal and polycarbonate resins); impregnating agents and sealing compounds; adhesives (loctite, silicon-rubber adhesives, araldite, monomide); fibrous and layered materials (laminates on glass fiber, hardpaper fabrics with various impregnations, phenol and melamine resins); silicon polymerides, ceramics, mica and synthetic mica.

Metals and alloys (nickel alloys, nickel bronze, beryllium bronze, copper wires; aluminum varnished wires, brass, high-grade stainless steels and light metals); metals and alloys for use at extreme temperatures; superconductors, metallic and nonmetallic resistance materials, metallic semiconductors, ceramics for semiconductors, magnetic alloys, ferrites, piezoelectric materials, steam and gas depositing materials, chemicals.

Key buyers and potential agents and distributors will be attracted to the Frankfurt show by a thorough market development campaign.

Exhibitors at previous overseas Commerce exhibitions in the electronics field have had marked success in both immediate and long-term sales.

At the ELECTRONICA trade fair in Munich, November 1968, 47 U.S. firms—materials manufacturers and suppliers of tools and hardware for electronics production—displayed their products under Commerce sponsorship. They reported immediate sales of $394,000 and forecast additional first-year orders of $4.5 million. In addition they appointed 14 agents during the show. Twenty-two of the exhibitors had never before sold in the German market.

American producers of semiconductor materials share exhibit space with manufacturers of integrated circuits, printed circuit boards and other electronics products in the U.S. exhibition at the October 1969 Japan Electronics Show, Osaka. Early tallies show that the 41 exhibitors chalked up $338,117 in floor sales and expect first-year sales to total $4.3 million more.

U.S. manufacturers of sophisticated materials for the electronics industry that want to participate in the Frankfurt Trade Center exhibition, Mar. 16-20, 1970, may obtain an Exhibitors Export Market Guide IMIS 69-92 and further information from the U.S. Department of Commerce (BIC-938), Washington, D.C. 20230 (202-967-3088), or from any of the Commerce Field Offices.

ATTRACTING ATTENTION AT ELECTRONICA, a U.S. commercial trade fair, is a circuit board scrubber by Billco Manufacturing. Post show orders projected for the 1968 show totaled $4.5 million.

London Trade Center will stage display of electro-optic devices, components

Lasers comprise 50% of current market; research indicates need for fiber optics, infrared systems, photo-measurement instruments

The British market for electro-optic devices and components, now pegged at $2 million a year, is expected to double by 1972, making the U.K. an attractive sales target for U.S. manufacturers.

An estimated 50% of the current market is for lasers, but a wide variety of electro-optic equipment is being sought for research and production applications in a broad range of British industries.

American producers will reach buyers of this equipment at a U.S. Department of Commerce exhibition at the U.S. Trade Center in London, May 11-15.

Research and development needs and industrial applications in electro-optics—including lasers, fiber optics, infrared systems, photocells and photo-measurement instruments—are spurting in the United Kingdom and in Europe in such fields as communications, aircraft, construction, medicine, defense, surveying and mapping, security techniques, manufacturing processes, space and nucleonics.

Market research by the Commerce Department's Bureau of International Commerce, which will stage the London exhibition, shows the following equipment as having the brightest sales prospects in the United Kingdom:

► Laser systems—range finding, aligning, surveying, construction, biological, medical, surgical, communications, holographic, photographic, and interferometric devices, and for drilling, shaping, trimming and welding of materials.

► Laser components—cooling equipment, crystals, focusing devices, optics, power sources, meters, rods, safety devices.

► Fiber-optics systems—general, illuminator, imaging, probing-inspection, probing-medical, through CRT face plates.

► Fiber-optics components—light sources, materials.

► Infrared systems—control, detection, heat measurement, industrial security, thermographic.

► Infrared components—filters, optics, radiation sources.

► Photocell systems — photoemissive, photoresistive, photovoltaic, self-generating barrier type.

► Photocell components—amplifiers, optics, photoelectric photocells.

► Photomeasurement instruments—autocollimators, collimators, laser energy monitors, microphotometers, photometers, spectrometers, spectrophotometers, spectroradiometers.

Buyers, trade leaders, and potential agents and distributors will be invited to the London exhibition through a Commerce market development campaign.

Previous Commerce Department exhibitions in the electro-optics field have brought good trade contacts and sales prospects to U.S. exhibitors.

At the first show in the Paris Trade Center, staged Nov. 17-21, 36 U.S. exhibitors wrote $177,273 in confirmed floor orders and are projecting $4.4 million in sales over the coming year. (For full details on this show, see page 5.)

An exhibition of laser equipment and technology at the U.S. Trade Center in Frankfurt in December 1968 was the first of its kind in Europe. Twenty-nine U.S. exhibitors made immediate sales of $139,000 and expect additional orders of $2.1 million by the end of this year. They appointed five agents during the show.

At the U.S. Trade Center in Stockholm last May, exhibitors of electro-optic devices shared display space with manufacturers of optical and photographic equipment. Twenty-four exhibitors made total floor sales of $42,000 and expect one-year sales to total $911,000. They appointed two agents during the show, and were negotiating with eight others at show's end.

U.S. manufacturers of electro-optic equipment and components interested in the Commerce Department exhibition at the U.S. Trade Center in London May 11-15 may obtain an Exhibitors Export Market Guide IMIS 69-85 and further information from the U.S. Department of Commerce (BIC-942), Washington, D.C. 20230 (202-967-4653), or from any of the Department's 42 Field Offices.

Airport equipment, building show scheduled for Holland

American manufacturers of airport equipment, ground support equipment and passenger, freight and baggage handling systems may exhibit in the International Airport Construction and Equipment Exhibition and Conference scheduled at Schiphol Airport in Amsterdam from June 29-July 4, 1970.

Special emphasis is being placed on changes in airport and airline operations resulting from the introduction of the Boeing 747 superjet, as well as STOL, VTOL and supersonic aircraft. In addition to presenting a showcase for manufacturers of airport communications, air navigation, control and approach, servicing and maintenance equipment, the event will offer an opportunity for international air industry leaders to view passenger handling vehicles and loading ramps, flight information panels, reservation systems, conveyors and other systems needed to equip and service the modern airport.

A conference exploring the problems of financing the next generation of airports will take place during the show.

Additional information on the exhibition can be obtained from Kallman Associates, 30 Journal Square, Jersey City, N.J. 07306.

General industries fair set for Cairo in May

The United Arab Republic has announced an International Fair for Industry in Cairo at the Exhibition Grounds in Gezira May 2-23. The General Organization for International Exhibitions and Fairs is sponsoring the event.

A general industries fair, it is open for participation by interested U.S. exporters.

For complete information, contact the fair sponsors at Exhibition Grounds, Gezira, Cairo, U.A.R. The Department of Commerce also has a limited number of brochures available. Write: Department of Commerce (BIC-930), Washington, D.C. 20230.

Autumn SAMIA open for American participation

U.S. manufacturers are invited to take part in the fall International Ready-Made Clothing Show, SAMIA, scheduled for Sept 5-8, 1970. The event will be held in Turin, Italy, and will concentrate on spring and summer apparel.

During the Feb. 7-10 fair this year, button producers and ladies' clothing manufacturers reported good sales results. Almost 22,000 persons attended.

American-made products for which a market may exist among Italy's 15,000 retailers include casual shirts, paper clothing, leather goods, and novelty clothing.

For further information on the 1970 September SAMIA, **write:** SAMIA-General Director, 74 Corso Massimo D'Azeglio, Turin, Italy.

Training aids show in Milan projects $2 million in sales

More than 1,460 visitors viewed the exhibit booths of 29 American manufacturers of advanced training aids at the Milan Trade Center Oct. 21-25. Among them were 107 representatives from 27 nations

Confirmed orders by the end of the show totaled $111,685, and estimates for additional sales over the next year passed the $2 million mark. Nine of the exhibitors sought candidates for overseas representatives and five applicants were signed during the show; 25 prospects were still under consideration after the promotion.

Several of the participants were new to the Italian market area. One firm was entering exporting for the first time and 11 were making an initial appearance in Italy.

Predicting $300,000 in orders over the next 12-month period was Ampex Corp. of Elk Grove, Ill. Introducing its line of black-and-white and color video recorders, the firm wrote $30,000 in floor orders.

Also estimating $300,000 in future yearly sales was the Charles Beseler Co., East Orange, N.J. On the second day of the show an agent was appointed for the company, which makes test scoring machines and overhead projectors.

Displaying electronic learning systems, Scribe International ended the show with a 12-month projection of $200,000. The Rosemont, Ill. firm indicated $10,000 in confirmed floor orders were made.

Accompanying the show was a one-day seminar supporting the show's theme. It became so popular that guests were sitting at the speaker's table and others had to be turned away.

Other participants in the Trade Center show were: Ashtabula Trading Co., Ashtabula, Ohio, representing George F. Cram Co., Indianapolis; Parco Scientific Co., Warren, Ohio; and SK Science Kit, Inc., Tonawanda, N.Y. Atco Inc./International Resources, Houston, representing Autodynamics, Houston; Dukane Corp., St. Charles, Ill.; Audiscan, Inc., Bellevue, Wash.; M.P.O. Videotronics, New York. Bell & Howell, Chicago; Bourges Color Corp., New York; Buck Engineering Co., Farmingdale, N.J.; Collier-McMillan, International, New York; Curriculum Research Press, Huntington, N.Y.; Digital Equipment Co., Maynard, Mass.; Dynamic Typing, Inc., Washington, D.C.

Eastman Kodak Co., Rochester, N.Y.; Elco Corp., Willow Grove, Pa.; Electronic Aids, Inc., Baltimore; GAF Corp., New York; General Telephone & Electronics International, New York; Harwald Co., Evanston, Ill.; Intercontinental Trade Co., Evanston, representing Infonics, Inc., Santa Monica, Calif.; Chamberlain Mfg. Co., Ampli-Vox/Perma Power Division, Chicago; La Belle Industries, Oconomowoc, Wis.; GAF Consumer, Photo Division, New York, International Video Corp., Sunnyvale, Calif.; 3M Co., St. Paul; RCA Service Co., Camden, N.J.; Shure Bros., Inc., Evanston; Sterling Educational Films, New York; Victor Animatograph Corp., Plainville, Conn.; H. Wilson Corp., South Holland, Ill.; Wurlitzer Co., DeKalb, Ill.

CONDUCTING ONE OF MANY pre-show conferences to acquaint Italian businessmen with the Milan Trade Center show is Martin Stahl, Center Director, facing audience. This conference was held in Naples.

DRYCOPIERS by 3M attract attention, above, from two businessmen, while a live television broadcast was being conducted, below. More than 1,460 visitors saw the exhibition during its Oct. 21-25 run.

Export gains cheer Finns

Rapid and balanced economic expansion spurred by increase of 20% in foreign sales

Finland has achieved rapid and balanced growth in 1969 in a framework of stable wages, prices and costs. The semi-annual Economic Trends Report from the U.S. Embassy in Helsinki predicts that gross national product will increase by 8% in real terms this year. Export growth of 20% has provided the primary stimulus, but higher levels of private investment, construction, consumer expenditure and employment have also contributed to this economic expansion. Prospects are for a continued upswing in the economy, which could extend through mid-1971.

The boom conditions in many industries during the first three quarters have stimulated new interest in investment activities to increase capacity, improve production processes, and reduce costs. Recent, or planned investments include increases in output of paper and paper board, establishment of a petrochemical complex and expansion of steel capacity by Rautarukki Oy to produce 355,000 metric tons of heavy and 230,000 tons of thin steel sheets.

The rise in industrial output and consumer expenditures should provide new opportunities for American exports. For example, there will be a rising need for Finland to find new energy resources. The Ministry of Trade and Industry has drafted plans for the building of eight nuclear power plants between 1970 and 1991.

The expansion in domestic trade has also required managers to devote renewed attention to cost reduction by improving management techniques, using more efficient office equipment, and other devices.

Consumer interest in durables, as well as the usual consumer items, should increase with the rise in living standards. Indicative of the latent purchasing power is the very sharp expansion in auto purchases during the year, stimulated in part by easier installment terms which went into effect early in the year. Well-designed American consumer products, both durables and nondurables, should find a receptive Finnish market.

The outlook for increasing agricultural product sales does not appear as favorable, although raw cotton, tobacco, and dried and canned fruits should show modest gains. The mounting butter stockpiles and proposals to restrict the use of margarine point to reduced sales of fats, oils, and oilseeds.

Europe is biggest customer

Trade, both exports and imports, increased significantly with nearly all areas. The countries of the European Free Trade Association (EFTA) and the EEC purchased 63.6% of total exports (January-September), a slightly higher percentage than in 1968. U.S. purchases totaled $89 million, 21.9% above last year, equivalent to 6.3% of Finland's export market. Exports to the USSR and eastern European countries were somewhat higher by value than last year but the percentage of Finnish exports going to these countries declined from 19.5% to 18.0% because of the more rapid growth in trade with other areas.

Imports expanded more rapidly than exports, as nearly all products, except animal and vegetable oils and fats, shared in the import increase required for the expanding economy. Imports of machinery and transportation equipment valued at about $461 million (January-September) were 43% above the level of last year; finished consumer goods of $91 million were 23% higher; beverages and tobacco of about $13 million were 23% up; and crude raw materials of $103 million were 15% above the same period in 1968.

The tendency for imports to rise more rapidly than exports is likely to be continued in 1970, if the GNP growth estimate of 6% is to be attained.

The rapid economic growth has again reversed the trade account surplus to a deficit. Earnings from the service account, consisting primarily of receipts from shipping, will, however, more than offset the trade deficit and permit a small surplus to be realized. Business optimism for the near future, combined with the need to replenish raw material inventories, point to the likelihood of a continuing trade deficit in 1970.

The Bank of Finland's gold and foreign exchange reserves were $275 million at the end of August, 1969 a decline of about $26 million from a year ago. Also, Finland's total foreign exchange reservoir, which had gone up by about $128 million last year (January-August), climbed a modest $29 million during the first 8 months of this year as compared with the previous year. Gold holdings have held steady at about $42 million.

Prospects for Finland's balance of pay-

Is your product listed here?

U.S. products that can sell in Finland include raw cotton, dried and canned fruit, specialty food items, raw tobacco, synthetic yarns and thread, chemicals, pharmaceuticals, special valves and fittings, metalworking machinery and machine tools, power driven hand tools, printing machinery, special paper mill machinery, pumps and centrifuges, office machines, electronic data-processing equipment and programs, educational training devices, tractors, internal combustion engines and marine motors, motor vehicle maintenance and servicing equipment, excavating and leveling machinery, construction and materials-handling equipment, mining and ore-dressing machinery, packaging machinery and air and water pollution control equipment.

Among other export prospects are electronic components and accessories, electric measuring, testing and control equipment, motor vehicle parts and accessories, light aircraft and helicopters, shipbuilding, marine and port equipment, non-electric measuring, testing and control devices, industrial and scientific photographic equipment, medical, surgical and dental equipment, toys, games, and novelty goods, management consulting services, engineering and architectural services and accounting and data-processing services.

ments in 1970 are for an equilibrium in current accounts. This assumes a slower export and import growth than in 1969. The key to actual levels of trade will be market developments in the European Economic Community (EEC) and EFTA countries, which account for two-thirds of Finland's exports.

There will be some increases in prices for processed wood products, and possibly other products, but Finland's competitive position in the world market should improve because of the tendency for world prices to rise even more rapidly.

Sharp rise in investment

Precise figures for new investments in 1969 are lacking. All indications, however, point to an increase of about 15% in private and public investments. Public investments were held back, but were more than offset by the increase in private investments of about 20%.

Of particular note in the private sector was the sharp increase of about 25% in investments for machinery and equipment to rationalize, modernize, and expand output of plants. This activity accelerated during the second half and the trend will most likely be extended through 1970.

Construction activities also rose significantly during the third quarter. Building permits issued in the second quarter were 35% higher than last year, in terms of cubic space. Cement sales, which may be cited as an indicator of construction activities, were up by 14% during the first nine months. The heightened demand for construction labor is reported to have created shortages of skilled craftsmen.

Private consumption expenditures in 1969 are estimated to have increased by about 6%. This contrasts sharply with the nearly static situation for 1968. Indicative of the improved livelihood of the people were rising consumption of meat, the registration of 67,500 passenger automobiles during the first nine months as compared with 36,200 last year, and the sharply upward rise of between 15-20% in wholesale and retail sales by department stores during the first half of the year. The sale of most durable consumer goods rose in 1969. The rising propensity to consume reflected the confidence of the people in the economic outlook for the country.

Industrial production is expected to rise by about 10%. Nearly all sectors had higher output during the first half of the year. Wood processing, particularly for paper, textiles, metals, chemicals, and food processing industries, showed good progress in this respect. Prospects for a continued expansion appear good.

Projections for 1969-74 made by the Federation of Finnish Industries, which excludes wood and wood products, show industrial output during the period will increase at an annual rate of about 7%. This estimate assumes an average annual export growth of about 10%. For the wood processing industry, limitations imposed by forest resources will mean that increasing attention will be given to raising the degree of processing. Pulp exports may decline but the output of paper and other finished products will rise, according to the projection.

Developing shortages of skilled labor and basic raw materials, such as construction steel, could become a limiting factor in the future. At present, industrial capacity is considered adequate to permit the expansion of output required to meet growth targets for 1970.

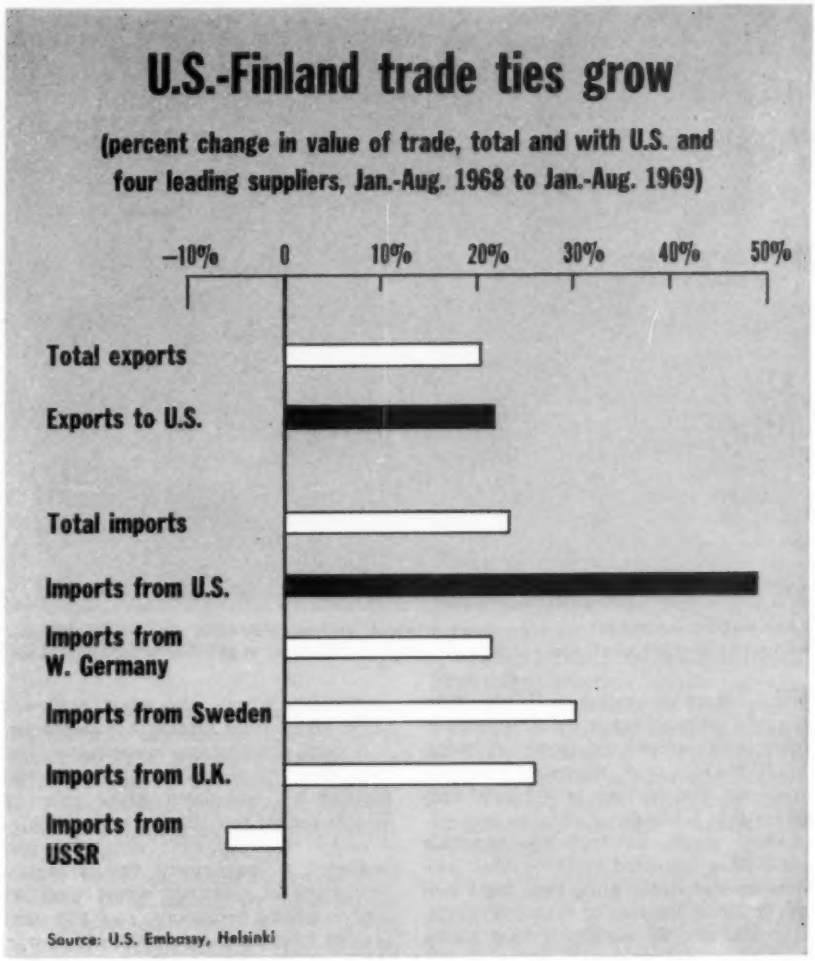
Employment situation improves

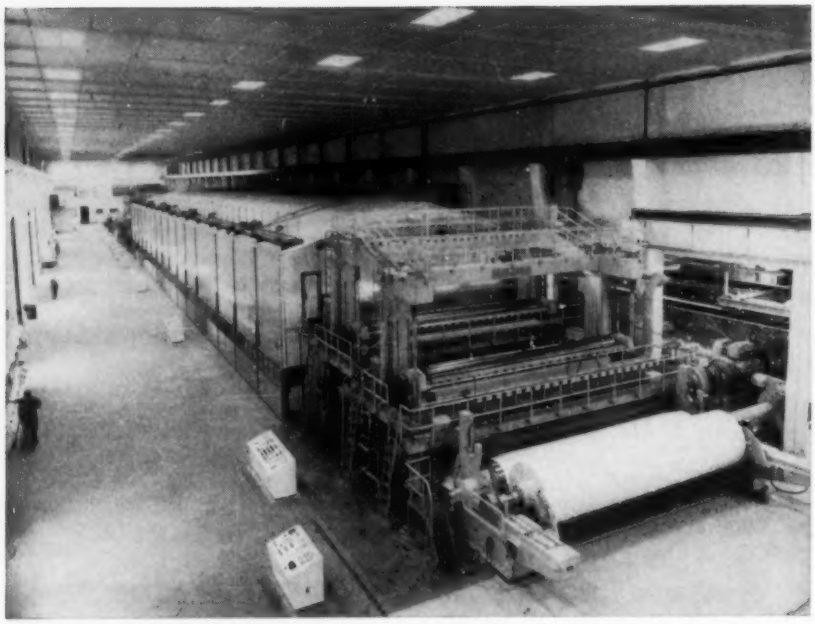
The employment situation in 1969 showed steady improvement. In August, the unemployment rate dropped to 2.1% of the labor force, 1.1% lower than the same month last year. Also indicative of improved conditions were surveys showing the number of unfilled positions rising to a level 83% above that of August, 1968.

Despite the improved labor situation, Finland is faced with a basic structural problem. In the northern and eastern areas there is an excess of labor, as job opportunities in agriculture and forestry have tended to decline.

The Government recently introduced in the Parliament five separate bills aimed at accelerating regional development to provide new employment. Special attention would be given to assisting industries already established in population centers in the developing regions. Tax benefits, improved developmental financing, expanded worker training, and other assistance would be granted under these bills.

Reports of increasing numbers of Fin-





PAPER-MAKING MACHINERY is a major export of Finland, which produces about one-tenth of such equipment used around the world. Above, a newsprint machine in operation at Kirkniemi in southern Finland.

nish workers emigrating to Sweden have received press attention, but this development is not considered overly alarming. Many workers from regionally depressed areas are also moving to industrial centers within Finland.

Food grains, livestock and vegetable production increased in 1969. Milk production was stable while beet sugar output declined. Because of favorable weather conditions, the quality of food grains, particularly wheat, and sugar beet was better and farmer income was improved.

A particular problem in agriculture has been the surpluses of wheat and butter. Finland has negotiated wheat sales of 40,000 metric tons to the United Kingdom for shipment early next year and instituted a requirement that a higher percentage of domestic wheat must be used in milling operations. This will assist but not solve the basic problem of surplus holdings in the hands of the State Granary of 312,000 metric tons as of September.

Surpluses of butter, described as a "butter mountain," have continued to mount despite various measures to increase domestic consumption and to expand export markets. Surpluses at the end of September of 24,000 metric tons were more than double the level last year. Changes were also made in the price of milk, to reduce subsidies on production.

Forestry activities, which directly affect the livelihood and incomes of farmers, were also up in 1969. Due in part to higher stumpage prices permitted by the Government, timber fellings in September were expected to be 22% above the same month last year and 12.8% higher for the first nine months.

The above developments provided agriculture with a somewhat higher income than last year, perhaps by 3-4%. The basic need to reduce agricultural output and to find new employment continued to be a major problem.

The money market was relatively liquid during the first quarter but tightened somewhat during the year as uncertainties surrounding the devaluation of the French franc in August and the more recent revaluation of the German mark resulted in business and industry depending more on the domestic market for funds. Higher interest rates in foreign countries also discouraged business from seeking foreign loans to meet development needs. Rising exports and foreign exchange earnings tended to ease the monetary situation but growing import requirements offset this.

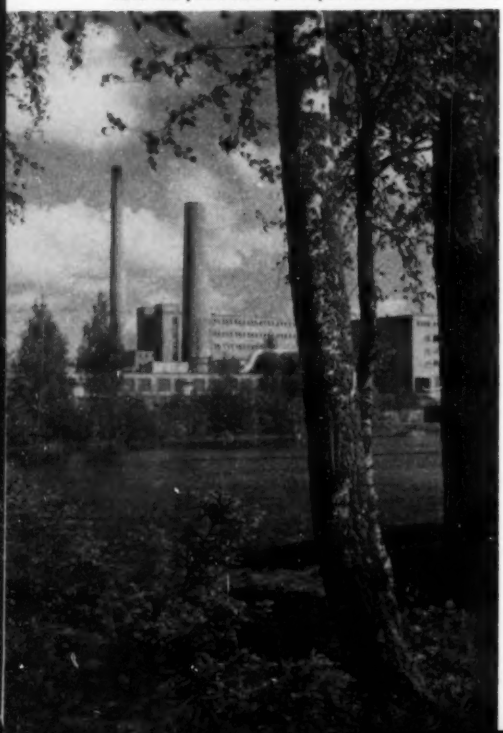
There was little evidence, however, that business or industry were having difficulty meeting current or urgent requirements. Deposits in financial institutions have grown satisfactorily and, adjusting for seasonal factors, the second and third quarter deposit rate was substantially above that of last year. Loans by financial institutions have been increasing even more rapidly, and recourse had to be made to the Bank of Finland.

Both monetary and fiscal authorities have noted the strong demand for funds. As a precautionary step to prevent an overheating of the economy, which could weaken Finland's external exchange position, the Bank of Finland has announced new guidelines applicable from Oct. 1.

Financial institutions were requested to limit lending so as not to exceed 90% of the growth in deposits over any 12-month period. Banks which had exceeded this level are to comply by March, 1970. At the same time the rediscounting quota for each bank was reduced to 85% beginning Oct. 1 and 75% beginning in January, 1970. The high dependence of financial institutions on the Bank of Finland should make these monetary measures effective.

Fiscal measures taken or considered which have had, or will have, a moderating influence on the economy include somewhat smaller expenditures for public works projects than had been expected because of the improved employment situ-

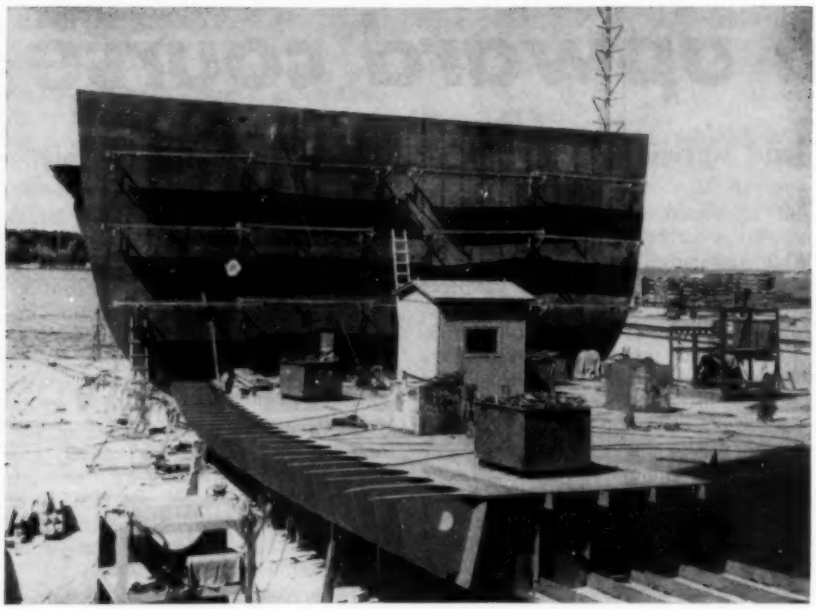
INDUSTRIAL OUTPUT is expected to rise by about 10% this year. Below, a rayon mill in Valkeakoski.



Special sales report

Included in the International Marketing Information Service is a *Country Market Digest* (IMIS 69-18) outlining the 16 specific products with top sales prospects in Finland.

IMIS reports are available for ten cents apiece from the Sales and Distribution Branch, Room 2119, U.S. Department of Commerce, Washington, D.C. 20230, or from any of the Commerce Department's 42 Field Offices.



AMONG FINLAND'S MAJOR SHIPBUILDING FIRMS is Rauma-Repola. Above, vessel under construction at R-R shipyard. There is a substantial market in Finland for U.S. shipbuilding, marine and port equipment.

ation, and a proposal to establish a counter-cyclical fund to collect funds from business and industry during periods of economic upswing to be used during periods of cyclical declines.

This last named proposal has been under active discussion among all economic circles, both public and private. Mandatory collection of fees would be counter to the Government's undertaking under the stabilization agreement not to increase taxes. This matter therefore will probably be resolved with a voluntary contribution system. The discussions on the danger of violent swings in economic activity have had a salutary effect on responsible leaders in business, industry, labor and Government by increasing awareness of the need to moderate economic growth, if later severe dislocations in the economy are to be avoided.

Imports rise faster

During the first nine months of 1969, Finland exported $1,404.6 million (f.o.b.) worth of goods, an increase of 20.2% over the same period last year. Imports for the same period, $1,418.7 million (c.i.f), were up by 23.5%. The small trade deficit this year represented a swing of about $34 million from last year, when Finland had a surplus.

The stabilization agreement between management and labor was negotiated in September. The agreement provides for a wage increase of 18 cents per hour in 1970 as compared with 16 cents this year. Additional fringe and welfare benefits were also included in the package.

The net effect of this agreement is to increase labor income by an estimated 7% in monetary terms and 5.5% in real terms. The Government has announced its intentions not to raise taxes and charges and to limit borrowings.

Labor seeks rent protection

In response to labor's request, the Government also undertook to enact legislation to protect workers from rental increases and unreasonable eviction by landlords. Enabling legislation for the stabilization agreement is now before the Parliament and enactment is expected soon.

Although there is general support for continuing the stabilization program in 1970, there is also increasing evidence that the Government will have difficulty continuing the program in 1971 in its present form. Labor has been showing restiveness over the rigid controls on wages, since there are inevitably price increases permitted by the Wage and Price Council to adjust for higher import costs. Also, some commodities, notably paper, are not subject to stabilization guidelines.

In the meantime, business and industry are aware of price increases in international markets, creating wider disparities between domestic and foreign prices. Rigid price and wage controls also lead to creation of other disequilibria in the economy. The Government, therefore, will be required to implement the incomes policy and regulations under the stabilization program with greater flexibility than during the recent past.

Economic cooperation

Finland became a member of the Organization for Economic Cooperation and Development (OECD) early this year and the OECD report on Finland was published in July. The report was favorably received in Finland.

Active consideration is being given to expanding economic cooperation among Nordic countries (NORDEC). No real progress has been made, however, in resolving political differences and no significant decision appears in the offing to adversely affect American exports.

Finland is expected to expand assistance to developing countries in 1970 to $2.0 million from $1.6 million in the current year.

Beginning July 1, foreign exchange automatically granted tourists traveling abroad was increased to 3,000 Finnish marks (US $714) from the earlier level of 1,000 Finnish marks (US $238). Duty free import requirements were also eased to 250 Finnish marks (US $60). These changes should stimulate increased travel expenditures.

Eximbank credits help sales of U.S. jets in Finland, Italy, U.K.; total nears $590 million

A $5.7 million Eximbank credit will help Finland's major airline buy a U.S. jet aircraft. Finnair OY of Helsinki, will use the loan to finance approximately half of the purchase price of a DC-8-62.

Other recent Eximbank loans have gone to finance the purchase of U.S. planes in Italy and the United Kingdom. A small domestic airline headquartered in Naples, Aero Trasporti Italiano, will buy six DC-9's valued at over $28 million with the help of a $10.2 million loan from Eximbank to the Istituto Mobiliare Italiano. A $5.8 million Eximbank credit will help British Overseas Airways Corp. (BOAC) buy two Boeing 707 jets valued at $19 million.

These loans bring the value of total 1969 foreign sales of U.S. aircraft financed by Eximbank credits to almost $590 million. The sales have been made to 20 different countries.

Austria in upward course

Industrial output and exports lead upswing with gains of 10% and 21%, respectively

Austria's economy continues its vigorous expansion, and on a broader front than six months ago, according to the semi-annual Economic Trends Report from the U.S. Embassy in Vienna. A few strains appear here and there—in the labor market for example, and in some prices following the recent West German revaluation—and there is some concern about the mid-term prospects. But on the whole, the country's recovery from its slowdown of two years ago continues to pick up steam and has now swept into its course most of the sectors which, at the time of the last Economic Trends Report, appeared to be lagging behind.

Austria's expanding production, investments and consumption are drawing in their wake increased demand for imported goods. During the first nine months of this year, total imports amounted to about $2,048 million, as compared with $1,837 million in the same period of last year.

The U.S. market share dropped during this period from 3.6 to 2.9%. To a substantial extent, this decline can be attributed to the steadily growing number of American subsidiaries and licensees in Europe taking over the supply position formerly held by their American parent companies, a development which will no doubt continue in the future. To some extent, also, delivery difficulties connected with the extended strike of American longshoremen hurt U.S. exports.

Nevertheless, a large number of Austrian firms are still interested in business arrangements with exporting U.S. manufacturers. The list of commodities desired includes chemicals of all kinds, semi-finished products such as paper, production equipment such as paper mill machinery and packaging machinery, laser equipment for metal working and construction machinery.

Many Austrian firms are also interested in handling U.S. products in Eastern Europe, an area which exporters new to these markets may find very difficult to penetrate on their own. In addition, Austrian interest in licensing arrangements is steadily growing. There is also indication of increasing East European interest in concluding licensing arrangements with American firms using Vienna as a focus of discussions and negotiations.

With continued prosperity, the market for consumer goods, recreational facilities and equipment is promising a steady growth. A market analysis conducted in West Germany recently predicted increased consumer spending on garments in 1970, a trend which will probably be true for Austria, too. In particular, U.S. exporters might find the growing numbers and affluence of European teenagers a profitable market to cultivate.

Also, in connection with the Austrian Government's coming replacement of some of its automobile fleet, U.S. car manufacturers might stand a good chance against their European competitors.

Other deals in works

Among the larger single deals in which American firms have a chance of winning contracts are the erection of the first Austrian nuclear power plant and the re-equipment of the Austrian Airlines with a medium distance fleet. In both cases there is stiff foreign competition, but winning these contracts would have longer-term benefits beyond the specific transactions. This is especially the case with the nuclear power plant project where American participation would mean breaking into the electric engineering field in which German firms have a virtual monopoly in Austria.

Another major industrial area where it would be desirable for American firms to show interest is the petro-chemical field. Austrian planning for expansion in this field is making progress and again it may be of longer-term interest to get in on the ground-floor.

Against a background of abundant domestic crop and livestock production, import prospects for most stable foods do not appear very promising. However, there is an excellent and still growing sales potential for oil meals, with the United States a leading supplier of soybean meal to Austria. The country also will need to import substantial amounts of cotton and tobacco, but in view of noncompetitive U.S. prices much of this business has been going to countries other than the United States.

The outlook for increased U.S. sales is fairly bright for some other products, such as hides and skins, citrus juices, canned and dried fruit, processed vegetables and rice. Since the removal of the import quota on U.S. poultry meat last July, U.S. exporters have had an opportunity to compete on an equal basis with other supplier countries. This should benefit sales of U.S. turkey and turkey products, and chicken parts to Austria.

With the phasing over to the 40-hour week over the next few years, new sales opportunities are opening up for portion-controlled goods destined for the institutional trade. As a leading manufacturer of such foods the United States should be able to win a large share of this market as the potential develops.

It must also be assumed that European Free Trade Association (EFTA) countries, and in particular Great Britain—which holds the fourth rank among Austria's suppliers—will benefit most from this change. This tendency will be reinforced by the just-completed "British Week in Vienna." Supported by a variety of cultural events, the British Board of Trade and the British Export Council for Europe staged an export promotion campaign Oct. 10 to 18, which reportedly was a great commercial success.

This show created a good deal of consumer interest in British goods just when German products lost some of their traditional price advantage. About 1,500 Viennese retail enterprises participated in the event, turning the city and Mariahilferstrasse, the largest shopping street, into a huge British supermarket. Although concentrating on consumer goods, it will also spur sales of British capital goods, par-

Shift in suppliers likely

While it is too early to make a detailed analysis of the impact on Austrian imports of the various Austrian counter measures against the Deutsche Mark revaluation, it can be assumed that they will result in some shift from German to other sources of supply for many products. Because of traditional trade ties, the still-existing advantages of a common language, common standards and terms, and the geographic propinquity of Germany and Austria, this reorientation will probably be a rather slow development, except in the case of certain products such as automobiles.

ticularly since "British Engineering Week" is planned as a follow up for June 1970.

Also planned for the first half of 1970 are smaller "British Weeks" in some provincial towns with above-average purchasing power. Preliminary reports indicate that the investment in such a large-scale promotional effort has largely paid off in terms of immediate sales; the seven major department stores in Vienna ordered about $2.4 million worth of goods for their "British Week" sales.

This successful British effort proved again that the Austrian market is worth going after. Many planned specialized international fairs and exhibitions, such as for sporting goods, for medical equipment, for office organization, for store fixtures, the Vienna Ladies' Garments Weeks, and the Design Center offer excellent forums for building up America's economic image in Austria.

Finally, Austria is about to embark on a $100 million nuclear power project. In addition to the U.S. firms bidding on the power plant proper, other American firms might want to look into the possibilities of offering planning, management and consulting services connected with this project.

"All systems are go"

Virtually all economic indicators are currently pointing upwards in Austria. Overall output at constant prices has been expanding at an annual rate of about 6% thus far this year. Industrial production and exports have been leading the upswing with gains of 10% and 21%, respectively, over the comparable levels of the preceding year. Favorable weather benefited agriculture and construction activities, and the tourist business is flourishing.

Prospects are now for a real growth of non-farm output by about 6.5% in 1969, and, as agriculture may expand a little less rapidly, overall gross national product is expected to maintain its current real growth of about 6% through the end of the year. Taking into account an inflationary factor of 3% or so, this would mean a GNP for 1969 valued at $12.4 billion, or $1 billion more than in 1968.

This trend is apt to continue into 1970, but the future is not so clear beyond mid-year. With all resources being virtually fully utilized, the margin for further expansion is narrowing and the cyclical peak of the current boom may have been reached.

In the face of continuing high foreign demand, accompanied by a recent intensification of domestic demand for investment and consumer goods and taking into account current full employment with very limited scope for an expansion of the labor potential, it can be assumed that overall economic gains in 1970 will be somewhat lower than this year. The official forecast is a 4% gross national product growth.

As always with a country relying heavily on foreign trade, much depends on what happens in the economies of Austria's major trading partners over the coming months. If the current boom in Germany and Italy flattens, Austria is bound to be affected in due course.

As anticipated, Austria's foreign trade continued to expand at an accelerated pace throughout 1969. The export boom which set in over two years ago reached a new peak during the first nine months of this year, when Austrian deliveries abroad ran almost 20% ahead of the same period last year. While practically all product categories profited from lively demand abroad, particularly in Western Europe, the most impressive gains were achieved by Austrian exporters of machinery, electrical equipment, steel, lumber, and, to a lesser degree, of farm products and consumer items.

Similar, although less spectacular, increases occurred in Austrian imports, which were about 10% higher than a year ago. As expected, the emphasis has shifted to imports of investment goods needed for the implementation of several large projects and for structural adjustments in the domestic industry. Imports of investment goods were also stimulated by the inability of domestic suppliers to fill many orders due to excessive local demand.

Incomplete data available for the third quarter indicate that this upward trend has somewhat abated. However, there appear to be very good chances that a continued expansion of exports and imports will take place until at least the middle of next year. Aided by the recent revaluation of the German Mark, which is expected to increase the competitiveness of their products vis-a-vis German suppliers in West Germany and in third countries, Austrian industries may well succeed in carrying out their announced drive designed to make 1970 a record "Export Year."

The long-term trend in the orientation of Austria's foreign trade has been reversed in 1969 on the export side. Since the establishment of EFTA, Austrian deliveries to fellow member countries have been growing much faster than those to the European Economic Community (EEC). In the first half of 1969, however, exports to the Community increased by about 24%, with shipments to EFTA countries growing by only about 21%.

Consequently, the Community's share in Austrian exports rose from 40.6% in the first half of 1968 to 42.6% in the same period this year, and EFTA's share increased only from 23.2% to 23.9%. This situation was due primarily to the more dynamic expansion of the Common Market, however, and in the future Austrian exports to EFTA will probably rise at about the same pace as her sales to the Community. The price advantages which Austrian products gain from the revaluation of the German Mark are expected to reinforce this adjustment.

Austrian exports to her third important group of trading partners, the East European countries, continue to decline. During the first half of this year, they lagged almost 5% behind exports in the same period last year. The expansion of Austrian deliveries to this area is mainly held up by bilateral trade and payment agreements which require balanced trade accounts. If, as part of the price stabilization package, Austria opens her doors to additional imports from Eastern Europe, this may also enable Austrian exporters to step up their sales to these countries.

Austrian imports continued to follow

A VAST INCREASE in coarse grain production has been generated through Government pricing measures and restrictive import policies. The farmers below helped to harvest Austria's recent bumper crops of grain.

the long-term trend, i.e., EFTA and East European countries expanded their shares in the Austrian market at the expense of Common Market suppliers. In the future, this tendency may become even more pronounced if Austrian buyers attempt to compensate for price increases for German products by shifting to less expensive sources in EFTA and Eastern Europe.

Imports from the United States again dropped below the level of last year. The new situation created by the German revaluation should improve the competitiveness of American, as well as of other third country, products in the Austrian market.

The economic boom, combined with a buoyant tourist business and a modest expansion of imports, has also brought about a reversal of previous balance of payments trends. In the nine-month period ending September 1969, Austria's current account showed a surplus of AS 3 billion ($115.4 million), compared with a deficit of AS 0.3 billion ($11.5 million) in the same period of last year.

Simultaneously, previous trends in long-term capital flows have also executed an about-face, reflected in a net outflow of long-term capital of AS 0.7 billion ($26.9 million) in the first nine months of 1969, compared with a net inflow of AS 5.7 billion ($219 million) in the comparable 1968 period.

What seems to have happened is that both public authorities and the private economy have held back from new foreign borrowing, while at the same time stepping up their redemption payments on previously raised foreign credits and loans. This is particularly true with the Federal Government, which, in anticipation of the Deutsch Mark revaluation, acted energetically to divest its DM obligations and/or to convert its DM debts into other currencies.

Another important factor in the net outflow of long-term capital was the substantial increase in resident purchases of foreign shares and investment certificates over the past few months. Such purchases came to nearly AS 2 billion in the first eight months of this year, or more than one-third more than in the corresponding 1968 period. There has also been some borrowing by foreign subsidiaries in the Austrian money market. The increase of the Austrian bank rate in September to 4.75% is expected to reduce such borrowing, however.

Balance of payments prospects for the year as a whole are that Austria will be closer to equilibrium than in any recent year. There will probably be a surplus on current account, traceable to a reduction in the trade deficit from the preceding year's level and to a higher tourist surplus, and a net outflow of long-term capital.

On the domestic front, impressive increases in savings activities took place between January and August 1969, with an expansion of savings deposits of over 70% above that recorded in the same period last year. This facilitated a higher level of domestic bank lending, which was accompanied by a considerable expansion in the volume of public bond issues. While no one is too sure of the causes of this hike in savings, all agree that it was of great assistance in meeting the economy's increasing financing requirements over recent months.

Assumptions now are that, especially with the Christmas season drawing closer, a reversal of this trend will occur. In order to discourage a disproportionate expansion of credit demand, the Austrian National Bank, shortly after the increase in the bank rate, ordered an increase in banks' minimum reserve requirements which will bloc liquidity in the amount of some AS 1.3 billion ($50 million).

Barriers to imported inflation

On the price front, consumer prices are averaging about 3% above last year's level —a rather modest inflation rate compared to other countries. Authorities are concerned, however, that this relative stability might not prove to be short-lived. They see it endangered from two directions: the increase in local and foreign demand on domestic resources, which are almost fully utilized at present, and the effects of the DM revaluation and other German price rises, which will inevitably be reflected to some extent in prices for Austrian imports from Germany.

It was to minimize the impact of these dangers that the authorities recently put together a package for "flanking" measures in the fields of tariff, tax, price, and fiscal and monetary policies which are to take effect shortly. These measures entail duty reductions in some 70 items mainly imported from West Germany, increased import quotas on a number of items imported from Japan and Eastern Europe, and lower border taxes on some raw materials, agricultural goods and automobiles.

Private consumption, absorbing three-fifths of GNP, disappointed experts' forecasts and businessmens' expectations for most of this year. It picked up steam as the year progressed and a number of factors point to further acceleration of consumer purchases in the foreseeable future.

Such factors include: (1) the increase in mass incomes which has taken place after completion of the wage round in mid-1969, which this time was not offset by tax and rate increases as happened at the beginning of the year, (2) indications that some of the substantially increased amount of private savings accrued thus far this year will be withdrawn from the banks for the financing of larger-scale purchases, and (3) the lingering fear on the part of many consumers that despite the price stabilizing measures of the Government there may be a deterioration of purchasing power which in turn may induce unanticipated additional spending.

If these developments fail to occur, authorities will not be too upset. Given the strains to which domestic economic capacities are being subjected, continued restraint among consumers and a persistent high rate of private savings in the months ahead may turn out to be a good thing.

The prevailing full employment in Austria, accompanied by labor shortages in many industrial branches, will probably continue well into 1970. A collective agreement concluded in September 1969 calls for reduction of the present 45 hour workweek to 43 hours in January 1970, to 42 hours in January 1972, and to 40 hours in January 1975, all without loss of pay. The few sectors not covered by the agreement will no doubt follow this trend, even if legislative anchoring of the workweek is delayed.

Job vacancies exceeded registered unemployed (35,762 to 33,207) in August 1969, despite the employment of 65,000 foreign workers. Shortening the workweek will force training, re-training, and ra-

U.S. investment invited

The effort of the Austrian Government to attract foreign investors, particularly American, is showing first results. Five American firms have recently accepted the Austrian Government's invitation and are establishing manufacturing subsidiaries in Austria. The Austrians are hopeful that at least 20 more companies will follow in 1970.

These firms will find that Austria is ideally located for penetrating the Eastern European market; it offers a good labor climate with a generally skilled work force, and has always welcomed American investment. Other countries, particularly West Germany and Switzerland, have found this combination very attractive in the past and have invested extensively in Austria. U.S. firms would do well to follow their example.

tionalization to achieve productivity gains; a recently enacted labor market promotion law provides funds for such instruction both in plants and in vocational schools.

Nonetheless, high quotas for the employment of foreign labor are likely to be necessary. Of this year's quota of 73,000, 75% were Yugoslavs and 12.5% Turks.

A recent study set the total Austrian labor force in 1965 at 3.379 million (2.464 million dependently employed). A decline to 3.319 (2.481) million is forecast for 1970, to be followed by increases to a potential 3.409 (2.605) million in 1975 and 3.621 (2.825) million in 1980. Other similar studies foresee smaller increases.

Through July 1969 the major wage negotiations covered workers in commerce, textile, and some metal working branches. Increases for the 270,000 blue and white collar workers in commerce were 6.5% (March 1969) and 5.5% (January 1970).

Highlight of the agreement covering 50,000 textile workers was a boost of 10.8% in minimum wages (June 1969). The metal agreements brought an increase of 5.5% in real wages (June 1969). The average rate of increase in 1969 will probably amount to 6% (real wages), a pattern likely to prevail in 1970.

In negotiating new agreements, the unions will probably put emphasis on the shorter workweek, attempting to beat the schedule set forth in the general agreement described above.

For some time Austria's official agricultural policy has encouraged the production of coarse grains and cattle at the expense of soft wheat and milk. The rationale underlying this policy is that the country still needs to import coarse grains and can export cattle to EEC countries in fairly large numbers.

By contrast, milk and wheat continue to cause disposal problems. Large subsidies are usually required to move excess supplies of these commodities into domestic consumption and/or export.

Mainly through pricing measures and restrictive import policies, the Government has succeeded in triggering a vast increase in coarse grain production. This rise is of such magnitude that import potentials for feed corn and barley have been all but wiped out. In fact, a corn surplus may well develop if the present acreage expansion continues unchecked.

Also, with feedgrain crops at record levels, it becomes more difficult to divert soft wheat in surplus to the feed trough. Moreover, these bumper crops of feeds, in combination with rather high meat prices, are giving fresh impulses to Austrian livestock production. The hog industry in particular is running in high gear, with a pork surplus next spring a possibility.

Angola gains despite insurgency; U.S. remains top foreign import supplier and customer for exports

War has created inflationary pressures, but has also spurred private investment and Government health and welfare projects

Available statistics indicate continued growth of the Angolan economy. The insurgency which started in northern Angola in 1961 contributes to inflationary pressures and takes an increasing share of the provincial government budget according to the Economic Trends Reports from the U.S. Consulate General in Luanda. But the war has been a spur to private investment in agriculture and manufacturing and the principal motivation for the government's investment in infrastructure projects, education and health and welfare.

With the exception of coffee, the principal source of foreign exchange, agricultural exports were up in 1968. While agriculture will continue to be the chief economic activity in Angola, growth rates in the extractive industries promise to be higher than those in agriculture over the next few years.

Angola's foreign trade continued to expand in 1968, with the value of exports and imports up 14% and 11%, respectively. Imports of $309.6 million still exceeded exports of $276.8 million, leaving a merchandise trade deficit only slightly smaller than that of 1967. Exports and imports showed continued growth in the first half of 1969, up 20% and 8%, respectively, from 1968. If the present trend continues, Angola should have its first trade surplus since 1966.

Growing competition

Competition among exporting nations for the growing Angolan market probably will intensify. A British trade mission visited Angola early this year and South African business groups have sent a commercial exhibit to Luanda and exchanged trade missions with Angola. The shortage of local capital makes exporter credit of continuing importance. Export sales are often made on the basis of attractive credit terms.

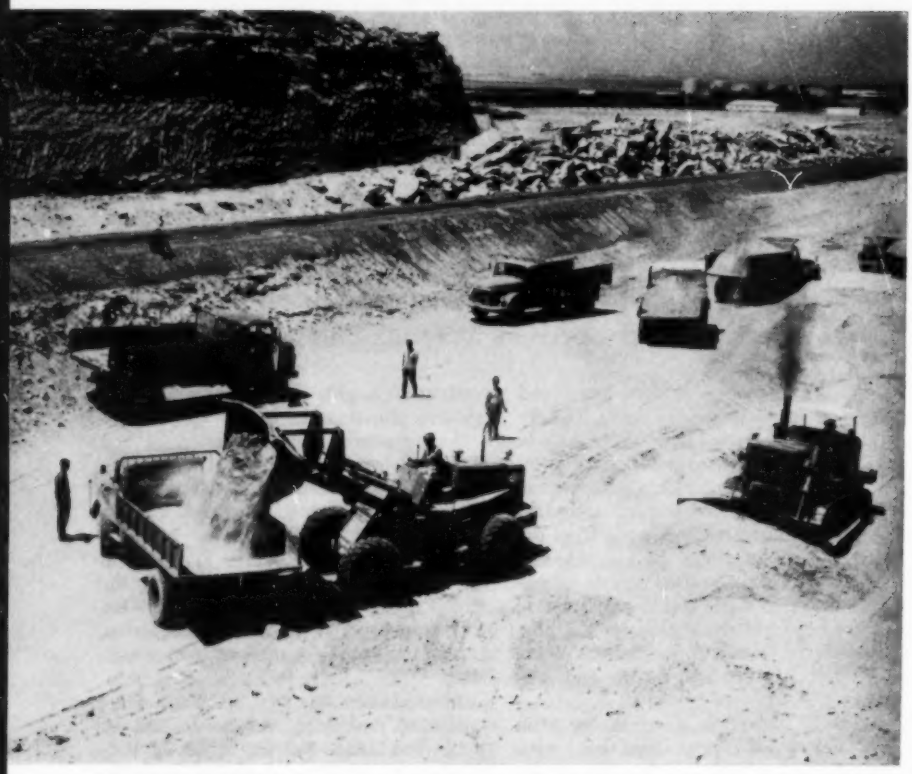
Angola's principal supplier continued to be metropolitan Portugal, providing 35.9% of imports in 1968. The United States became Angola's principal foreign supplier, 11.8% of imports, followed closely by West Germany, 11.1%, and the United Kingdom, 8.9%. Among the largest 1968 imports were automobiles, trucks and parts, iron and steel, wine, textiles, railroad equipment and medicines.

Metropolitan Portugal, Angola's chief customer, purchased 34.3% of 1968 exports. The United States is by far the largest foreign market (23.8% of 1968 exports), followed by the Netherlands (9.9%) and West Germany (5.5%). Coffee has provided the bulk of foreign exchange earnings, accounting for at least 40% of the value of exports since 1962. Trade figures for the first six months of 1969, however, suggest that Angola's exports are becoming more diversified. Diamonds, iron ore, fish meal, cotton and wood exports were up substantially from 1968, while crude oil exports, nil in 1968, totaled $6.8 million.

Payments deficit continues

Angola has long had a balance of payments deficit with metropolitan Portugal because of large merchandise imports and transfers for travel, education, business and family expenses. The balance of payments surplus with the rest of the world has failed to cover this deficit with metropolitan Portugal. While visiting Angola in April 1969, Portuguese Prime Minister Caetano remarked that the continuing balance of payments deficit could no longer be tolerated. Local observers are hopeful that growing mineral exports will cure the problem but the traditional deficit with metropolitan Portugal and the continuing need for imported capital goods makes a balance of payments surplus seem unlikely in the near future.

Gulf Oil's investment and the Cassinga iron ore project resulted in a sharp in-



CONTINUING IMPORTS of heavy earth-moving machinery will be required for Angola's road building program. Above, an Allis-Chalmers bulldozer pushes rock and sand into piles for a waiting wheel loader.

crease in imports from the United States in 1967 and 1968. Initial work on these two projects is nearing completion and imports from the United States in the first half of 1969 (11% of the total) are down, but remain above the pre-1967 level. Among the most important of Angola's imports from the U.S. have been locomotives, iron and steel, automobile parts and accessories and earth-moving equipment and spare parts.

Manufacturing growth continues

According to the Bank of Angola's annual report, the gross value of manufacturing output increased 20% in 1968, the sharpest increase since 1962. The total value of production at manufacturers' prices in 1968 was $172.1 million, with all industries showing increases. The most important industries are food processing, bottling and brewing, petroleum refining and textiles. Data for the first half of 1969 indicate continued growth of manufacturing output.

In contrast to the value of production, new investment in the manufacturing industries last year ($17.2 million) was off from the high of 1967. The reduced investment in these industries may indicate a slower future pace of industrial expansion. Investment in manufacturing has been limited to industries requiring relatively little capital which can produce for the small internal market.

Angola's exports to the United States, heavily dependent on coffee, declined in 1968 because of unfavorable developments in the international coffee market. Exports to the United States in the first six months of this year were down 36% from the same period in 1968, but the situation in the coffee market recently improved and total 1969 coffee exports to the U.S. will probably recover at least some of the earlier losses. In the long run, however, the expansion of mineral exports will lessen the relative importance of coffee as a foreign exchange earner. This diversification of Angola's exports will probably reduce the share of her exports taken by the United States.

Most promising opportunities

Export opportunities for U.S. firms remain in supplying equipment for the construction, transportation and mining industries. Increasing activity in the extractive industries, especially petroleum and diamonds, should expand the market for mining equipment and machinery. The government's road building program will require continuing imports of heavy earth-moving machinery. Planned improvements on the state-run Mocamedes and Luanda Railroads and on the privately-owned Benguela Railroad should open new opportunities for the sale of locomotives and other railroad equipment.

Sales prospects for equipment for agriculture, livestock and fishing also appear good. Plans for the expansion of commercial agriculture should widen the market for farm implements and tractors. There is considerable interest in cattle breeding and the Government has taken measures to assist cattle growers. The recent import of 200 head of American breeding stock, primarily beef cattle, should open the door to additional sales of U.S. cattle and livestock-raising equipment.

Fishing equipment should sell

South Atlantic waters off Angola are rich in fish, but the local fishing industry is generally ill equipped to take advantage of the potential. Government and private interest in modernizing the industry should create markets for specialized fishing equipment as well as fish storage and processing equipment.

The local market for U.S. consumer goods is limited because of the low incomes of most Angolans, quotas on luxury imports, and preferential duties on goods from metropolitan Portugal and the other Portugese overseas territories. Nevertheless, some opportunities do exist for the sale of consumer goods not produced in Portugese territory.

The pace of construction continues brisk, with the value of buildings completed in Angola's principal cities up 15% in 1968 to $20 million. The rapid pace of construction is especially notable in Luanda, which accounted for 42% of the value of buildings completed in 1968.

Angola's Government has initiated measures to assist and stimulate cattle producers and a company has been formed with public and private capital to engage in meat packing. Earlier this year 200 head of U.S. cattle, primarily Santa Gertrudis, were imported for breeding stock and interest in livestock raising is high. Some time will be needed, however, for Angolan herds to be expanded and improved so that large-scale meat production and exports can begin.

Mineral prospects good

Diamonds are Angola's oldest and still most important mineral product. Output from the mines of Diamang, Companhia de Diamantes de Angola, in northeastern Angola was valued at $56.3 million in 1968, up 32% from 1967. Diamang has intensified exploration of its concession, which covers most of Angola and the

value of production in the first half of 1969 was up 41% over the previous year. Four firms, two of them subsidiaries of the American companies, Diamond Distributors of New York and Diversa of Dallas, were recently granted concessions in southwestern Angola. The expiration of Diamang's contract in 1971 will free most of the present area for additional concessions. Diamond production, which for several years made only modest gains, is expected to increase more rapidly in the next few years.

Petrangol, Companhia de Petroleos de Angola, was Angola's first oil producer. Petrangol's crude oil output, some of which comes from a concession it shares with the Portugese firm, Angol, was up slightly last year to 559,000 tons. Petrangol's production, generally sufficient for the local market, has gone to its Luanda refinery, the capacity of which is now being enlarged to one million tons annually.

Petrangol, in association with Angol and Texaco, holds two additional concessions, both on- and offshore, near the mouth of the Congo River. Petrangol, the onshore operating company, has already started drilling and Texaco is scheduled to begin drilling offshore within the next few months. Exploratory work is also under way in two concessions held by the French firm, TOTAL, Compagnie Africaine des Petroles, and Angol.

Production from Gulf Oil's concession in the Cabinda enclave of northern Angola started in the fourth quarter of 1968. Although Gulf's production has been below original expectations, Angola's crude oil exports in the first half of 1969 (nearly all from Cabinda) reached 604,217 tons valued at $6.8 million. Interest in oil exploration is high and several international companies have requested concessions along the coast of southern Angola.

Iron ore production from the Cassinga mines in southern Angola increased dramatically in 1968 and exports, primarily to Japan and West Germany, were a record 2.9 million tons. Exports during the first half of 1969 totaled 2.2 million tons, and probably will reach the target of five million tons for the year. Output from the project, operated by the government-controlled Companhia Mineira do Lobito, has so far been limited to the high-grade ores. Two American companies are reportedly interested in building a pelletizing plant to process the vast reserves of low-grade ore at Cassinga.

Work on the Companhia do Manganes de Angola's long-discussed iron ore project at Cassala is expected to begin within a year. The project, just east of Luanda, involves the construction of a pelletizing plant, power transmission facilities, ore-loading installations in the port of Luanda and a spur line and improvements on the Luanda railroad. Output from the project, to cost approximately $70 million, will be around 1.8 million tons of pellets annually. An American pelletizing system is reportedly being considered for the project.

Other possible mineral developments include the production of sulphur and phosphates. The U.S. firm, Tenneco, has established a local subsidiary and is exploring its sulphur concession near Benguela on the central Angolan coast. Another American firm, Pickands-Mather, has formed an Angolan subsidiary and is exploring its phosphate concession in the Cabinda enclave.

Government spending grows

The expansion of the economy has been matched and probably surpassed by the growth in government spending. Final government spending in 1968 totaled $267.7 million, 29% above the 1967 total. The initial 1969 budget (appropriations are increased during the year) places government expenditures at $285.3 million, 23.2% above the initial 1968 budget. The larger government receipts are generally due to increased economic activity. New taxes on the petroleum industry, however, are expected to bring receipts from special industry taxes up 70% to $33.4 million.

The sharpest increase in government spending is for defense, up 61% from 1968 to $45.1 million. Planned government spending for education, especially the university, and health and welfare, showed increases of 47% and 25% respectively from 1968.

Public spending for the development plan is included as an extraordinary item in the overall government budget. Development plan receipts have come primarily from public borrowing (75% of the 1969 plan). At the end of 1968 the public debt reached $194.2 million, 13% above the previous year. Development plan expenditures, traditionally concentrated on infrastructure projects, are placed at $46.5 million for 1969, slightly below 1968. Road construction, down from 1968, is still the largest appropriation in the development plan budget, 24% of total expenditures. The 1969 plan includes larger appropriations for education, health and welfare, energy, port facilities, railroads and airports.

The rapid growth in banking activity observed in the past few years has continued in 1969. Banks continue to open new branches and two banks recently increased their capital. Deposits, sight and time, in the four exclusively commercial banks increased 55% during 1968, reaching $197.3 million at the end of the year. During the same period deposits in the Bank of Angola, the bank of issue and largest commercial bank, increased 19% to $153.6 million.

The demand for credit continues high and interest rates are up. The average of the monthly outstanding loan balances in 1968 was up 21% from 1967. Banking regulations have limited commercial banks to making short-term loans, but these are often automatically renewed for additional periods.

Recent legislation established rules by which the commercial banks may set up financial departments to engage in medium and long-term lending while another decree law authorized the establishment of a credit institute to engage in medium- and long-term lending for development projects. No commercial banks have yet set up financial departments, but the credit institute, expected to begin operations in 1970, should increase the supply of credit for manufacturing industries and agriculture.

Prices rise more sharply

According to the Bank of Angola's annual report, the money supply increased 33% in 1968 to $401.3 million, the largest increase in recent years. The accompanying rise in prices was sharper than in 1966 or 1967. Using the Bank of Angola's consumer price index for Luanda (December 1965=100), the average of the indices for food, housing, health, transportation, clothing and entertainment rose from 107 in December 1967 to 117 in December 1968. Prices continued to increase in 1969, with the average of the indices at 124 in June. Inflationary pressures are blamed on the failure of supply to keep pace with demand, generated by government spending for defense and infrastructure and by foreign investments.

Several have invested

The increasing Portuguese interest in attracting foreign capital and Angola's potential mineral wealth have resulted in several investments by American and other foreign firms. Gulf Oil's petroleum discovery has aroused the interest of U.S. business and in the past year American firms invested in oil, diamond, sulphur, and phosphate concessions. Decisions are still pending on several requests, some from U.S. companies, for additional petroleum concessions.

Worst floods in Tunisia's history set back economic development; reconstruction costs will be high

Exports of phosphates will be stopped for months; trading patterns changing as French aid rises, U.S. help drops

Tunisia was making some economic progress in 1969, notes the annual Economic Trends Report from the U.S. Embassy in Tunis, with higher levels of foreign trade and somewhat improved overall production being registered up to the time of the floods of late September and early October. The worst in Tunisia's recorded history, they caused the loss of several hundred lives, drowned a large number of livestock, wiped out major roads and rail lines, and undid the work of years in many areas where intensive irrigation projects had been undertaken.

Exports of phosphate rock, one of Tunisia's major resources, will be stopped for months, as will certain other exports, such as iron ore. Reconstruction costs will be high, particularly for the rail lines and roads. The overall costs will be heavy, with adverse effects on the balance of payments and central finances. After years of drought and low water supplies, the floods will probably have a beneficial effect on agriculture in the future, but the net results will not be known for years.

Tunisia's merchandise trade balance in 1968 showed real improvement over 1967, as merchandise exports rose to $158 million from $149 million and imports were reduced to $218 million from $261 million. The coverage of imports by exports thus improved from 57% in 1967 to 72% in 1968. The negative position of Tunisia's net foreign holdings of gold, foreign exchange and other credits was reduced from about $39 million to about $23 million.

The trend through the first half of 1969 saw both exports and imports increase with respect to 1968; exports were nearly $84 million, compared to $69 million in the first half of 1968 (+22%), while imports rose to nearly $120 million (F.O.B.) from $111 million in 1968 (+8%). The rate of coverage of imports by exports dropped to 70%. The merchandise trade deficit was approximately $36 million, and the total current deficit was nearly $40 million.

This deficit was met almost exactly, according to Tunisian Government calculations, by the combined effect of assistance from foreign governments of $41 million, plus foreign private investment of $24 million, less debt service of about $25 million. Tunisia appeared to be holding its own on trade, but was failing to make real progress toward one of its major economic goals in 1969—the addition of $11 million to its foreign exchange holdings.

Floods change picture

Prior to the devastating floods Tunisian authorities expected to achieve exports of about $173 million for the entire year of 1969 (1968—$158 million), and foresaw imports at the level of $257 (1968—$218 million).

By holding the net deficit on services to $7-$8 million, by anticipating gross foreign government aid and private investment of $156 million for the year, less debt service $53 million, a net increase of exchange reserves of $11 million had been foreseen. Developments of the first half of the year, however, indicated these projections were already too optimistic. The floods rendered them unusable.

It was noted above that exports were running ahead of last year. Major gains were found in petroleum, olive oil, citrus, iron ore and lead products, while other exports of agricultural, forest or maritime origin, such as wine, cork, esparto grass, canned fruits and vegetables and sea products scarcely held steady. Most disappointing was a considerable decline in phosphate rock and superphosphates—reflecting Tunisia's unfavorable competitive position in phosphates, one of its principal resources.

The principal exports for the first half in relation to the same period in 1968 were ($ millions): crude petroleum, $15.8 ($10.2); olive oil, $12.9 ($10.6); phosphate rock, $9.9 ($12.1); superphosphates, $6.3 ($7.5); and citrus, $4.5 ($2.6).

Trading patterns were changing in 1969. Increased French assistance helped spur a rise in the first half of imports from France of nearly $50 million compared to $37 million in the same period of 1968; exports to France rose to $23 million, compared to $16 million in 1968. Thus, total trade with France was significantly higher—$73 million or 35% of Tunisia's total trade, as compared to 28% in 1968.

Imports from the U.S. dropped to $17 million, down from $24 million in the first half of 1968, due to a reduction in imports under U.S. program loans, and in Public Law 480 financed commodities. Exports to the U.S. declined as well to $1.7 million, from $2.2 million in 1968.

Output was on the rise

By mid-year, overall production figures, as measured by gross domestic product at constant 1966 prices, indicated that 1969 would exceed 1968 by 6%-7%. The 1968 gross domestic product at constant 1966 prices was 553 million dinars ($1,054 million) while forecasts corrected through June were for 595 million dinars for 1969 ($1,133 million), an increase of 7%. But the flood damage of September and October was not included in the calculation. The production decline resulting from the flood will push the overall index back toward the 1968 levels, if not below them.

The production situation was spotty even before the floods. The value of agricultural production in 1966 prices was forecast as only slightly above 1968; poorer cereal crops were offset by some improvement in the value of citrus and fruit and vegetable production.

Most industries showed little or no gain, and many were producing less than in 1968. Significant gains were recorded, however, in petroleum output—3.1 million tons in 1968 to an estimated 3.8 million tons in 1969 (+23%), and cotton textiles where the gross value of production may rise from 9 million

Aid is big factor

U.S. exports to Tunisia continue to be largely financed by U.S. assistance under program loans, project loans, and Public Law 480 agricultural commodity sales agreements. On many items U.S. prices are higher than European prices and freight costs add to our competitive disadvantages. Often, European suppliers offer better financing terms. Discrimination against U.S. commercially financed exports will increase as the result of the recent association agreement with the Common Market.

dinars in 1968 to over 12 million in 1969.

Tourism remained a rapidly growing industry. Through mid-year the number of visitors was 167,000 and the number of nights which they spent in Tunisia was 1.4 million, up 30% and 17.8%, respectively, over 1968.

But 1969 has revealed some growing pains. In June, the German tourist influx dropped off because of differences of view over contract prices between some German tourist agencies and certain Tunisian hotels. (Most hotels make their own contracts with foreign tourist agencies.)

The floods which temporarily disrupted food and potable water availability in some tourist areas also forced a reduction in tourism. (The autumn in Tunisia continues to draw northern European tourists in large numbers.) Estimates are that tourism growth for 1969 over 1968 may be only 10%.

Prospects for tourism

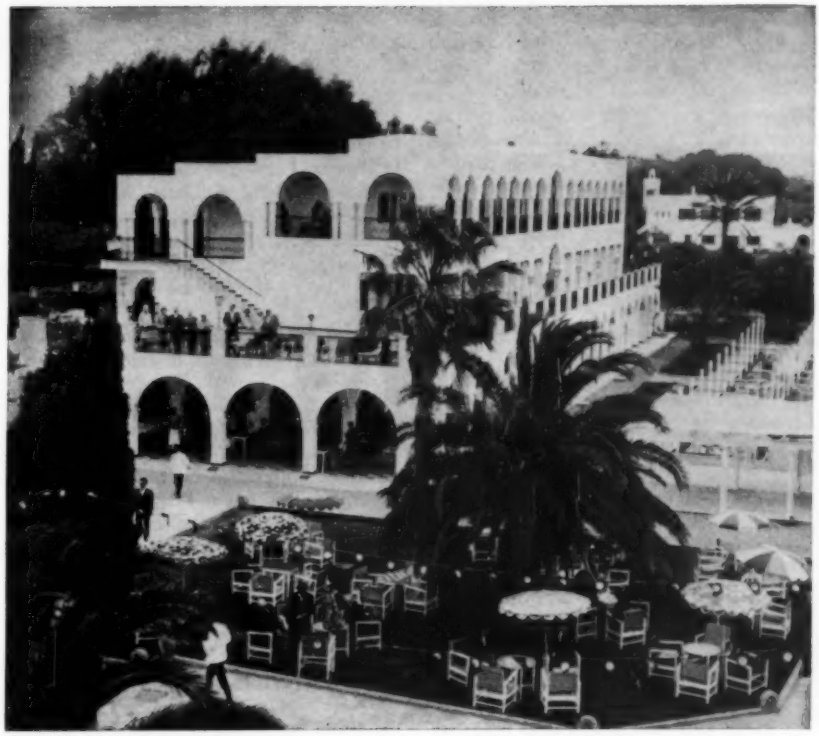
Looking to the future, the sound expansion of the tourist industry was given a boost with the formation in June of COFITOUR, a joint company to promote tourism and expand the infrastructure of tourist facilities. COFITOUR, capitalized at $10 million, includes the participation of the International Finance Corporation, Tunisian institutions, and individuals, and a group of European and American enterprises.

As the era of the jumbo jet approaches, the construction of the new U.S.-financed airport at Tunis, and the investment possibilities created by COFITOUR should place Tunisia in a strong position in the Mediterranean tourist business.

In 1964 the Destourian Socialist Party announced that Tunisia's economic development would be carried out by the balanced efforts of the public, private, and cooperative sectors. The latter sector received in recent years, and particularly in 1969, increasing emphasis. Agricultural cooperatives, which absorbed private farmers, and cooperatives in the distribution of foodstuffs and textiles were formed rapidly.

By mid-summer it appeared that most of Tunisia's agriculture would be cooperativized by the end of the year. However, the pace was too fast; opposition by farmers and landowners, the lack of an adequate number of agricultural engineers and managers, and the financial burdens which the cooperatives might have placed on the state combined to bring about a change of view.

In early September it was decided to return certain forms of agriculture, such as fruit and vegetable farming, some irrigated farming, and small family-worked plots to the private domain. Although the full implications of the change are not yet clear, it also appears that a careful re-examination of all cooperatives in the cereal regions will also be undertaken.



TOURISM GROWTH is rapid in Tunisia, though temporarily slowed by floods in September and October of this year. The industry has been given a boost by the formation of a joint company—COFITOUR, capitalized at $10 million—to expand facilities. Above, popular tourist hotel.

The extent to which there may be a change in the commercial cooperatives already formed is not certain; but the extension of cooperatives into other commercial and industrial sectors, which was widely expected, no longer appears likely. The new emphasis on private farming and the pause given to the cooperativization programs have been widely approved in Tunisia.

Investors now have code

In May an investment code was promulgated, designed to encourage private investment. Its provisions include various tax, customs, and other benefits for new investors and guarantees of repatriation of profits and capital. Individually negotiated agreements between investors and the Tunisian Government are still required.

One of the most significant events of 1969 was the signing on March 28 of a "partial" association agreement between Tunisia and the European Economic Community. The agreement entered into effect on Sept. 1.

The agreement allows Tunisian industrial products to enter the Common Market duty and quota-free. Tunisian citrus will bear only a 4% duty instead of the Common Market external tariff of 20%, and Tunisian olive oil will benefit somewhat from an exemption from a levy amounting at most to $50 a ton. Modest advantages were also given to a range of minor agricultural and processed food products.

In return the Common Market achieved reverse preference in the Tunisian market for a wide range of industrial items. Tunisia maintained the right to protect her infant industries.

The immediate benefit to Tunisia of the agreement is a long step in the direction of closer links with the Western European markets which Tunisian officials regard as historically and geographically their natural trading area. In three years, negotiations can begin for closer financial and labor force integration. In the meantime, agreements have recently been signed with Belgium, France and West Germany providing for Tunisian workers the same social se-

curity benefits as for their own nationals. A larger flow of Tunisian workers into Western Europe is expected.

The partial association agreement opens the way to encourage additional private investment in Tunisia in facilities aimed at the Common Market. The relative abundance of low-cost labor, encouragement given by the investment code, and proximity to markets are thought to provide a base for access to the Common Market on competitive terms. Recently some European firms have invested in textile and clothing manufacturing in Tunisia because of these factors.

The French devaluation in August was not followed by Tunisia, although France is its major trading partner and a major outlet. The Tunisian dinar is overvalued, so the French devaluation posed a sharp problem. However, Tunisia's major competitors in French agricultural markets—Morocco, Algeria, and Spain—did not devalue; consequently, the pressure for Tunisia to do so was less.

On balance the decision not to follow the French franc appeared wise. The question of devaluation remains, however; the advantages it would accord in the short run to tourism and some exports will have to be constantly balanced against the added burdens it would create, for example, in debt servicing and in higher priced imports.

Plan goals are outlined

A four year plan for 1969-72 was approved by the National Assembly in June. It is the third and final plan to guide Tunisian economic growth during the period 1961-72.

In brief form, the plan aims at the following goals: (1) gross investment (current prices) of 617 million dinars, which would yield an annual growth rate of 6.5% in the gross domestic output; (2) an annual increase of exports over imports to build foreign exchange reserves from a negative 11 million dinars to a positive 15 million dinars; (3) creation of 122,000 new jobs, reducing slightly the large number of unemployed; and (4) a smaller growth in money supply than in output so an inflationary trend can be avoided.

Net foreign assistance would remain at about the same levels as the 1965-68 period, but savings by the Tunisian Government, enterprises, and individuals are forecast to increase appreciably to make possible financing the additional investment.

Two developments have cast in doubt whether the plan can be used as envisioned. The agricultural reforms of September return much of the planning and production in agriculture to private initiative, removing a major area of production from direct Government control. The recent floods will temporarily reduce exports, are likely to increase imports, will add to current Government expenditures at the expense of development, and may temporarily reduce tax revenues. The overall plan goals will have to be adjusted downward or simply set aside for many months.

Common market door

Many U.S. companies participate in the Tunisian market through their European Economic Community affiliates. For example, U.S. business machines and industrial, electrical, and agricultural equipment find their way into Tunisia from Common Market affiliates.

The new investment code and Tunisia's association with the Common Market may encourage U.S. firms to investigate investment possibilities in Tunisia with exports to the Common Market area in mind. In addition, with hotel projects going forward by two U.S. firms, and with American participation in COFITOUR, the new organization to promote tourism, U.S. investors may take an added interest in tourist facilities.

Aid from many sources

Tunisia continues to receive relatively large amounts of foreign aid, consisting of technical assistance, grants and loans. The principal donors remain the United States, France, West Germany, the International Bank for Reconstruction and Development, and Italy. Other Western European nations as well as Eastern Europe, Canada, and Kuwait participated to an important extent.

The United States recently signed Public Law 480 Title I agreements totalling $17 million, with prospects of another major agreement before the end of the year, a program loan of $5 million for the purchase of commodities in the United States, and a project loan of over $6 million for a new airport terminal at Tunis.

The increase in French credits was the most important element in assistance. From December 1968 through the spring, about $50 million in credits were agreed to for a wide range of projects, of which the most important were phosphoric acid and electrical power plants at Gabes, key elements in the creation of a new industrial complex in the south of Tunisia. Other credits were extended for a lead mine, a wire mill, and communications and electrical equipment. Also, included in the above sum were credits to finance the export of French commodities.

West Germany renewed again an agreement to extend $10 million in credit for various projects, chiefly a new dam. Italy agreed to credits totalling nearly $25 million, of which one-half will be devoted to the construction of the new port at Gabes. Canada provided soft loans for the construction of three schools, the purchase of fertilizer and pipe, and the extension of electrical transmission lines in Cap Bon.

Loan agreement

Implementation of a loan agreement of $10 million approved by the Spanish Government in 1968 was finally agreed to; a cargo vessel, a petroleum tanker, and ten fishing boats will be furnished, all to be constructed in Spain. The Kuwaiti Government indicated a willingness to provide a loan of $12 million for additional agricultural development in the Medjerda Valley.

The World Bank signed projects for the improvement of railroads and rolling stock ($17 million), the expansion and extension of the water supply for Tunis and Cap Bon ($15 million) in which the Swedish Government will provide an additional $5 million, and a loan for $10 million to the Société Nationale d'Investissement for relending for tourist and industrial projects.

Discussion continued with Bulgaria, Poland, and Rumania on utilization of credits agreed to last year for development of the phosphate mines. Progress appeared to have been rather slow, however.

The United Nations programs continue to be of major importance. For 1969 allocations will total $8 million, including $4.5 million from the World Food Program, $0.5 of technical assistance, and $3.0 from the Special Fund for pre-investment surveys. Through the next few years it is anticipated that the Special Fund projects will total $12.5 million, and World Food Programs $41 million.

In 1968 there were about 4,600 technical assistance personnel in Tunisia, of which France provided 3,500 (mostly teachers); Germany, 160; Belgium, 130; other West Europe, 50; Bulgaria, 190; Czechoslovakia, 150; USSR, 30; Yugo-

slavia, 20; other East Europe, 30; Scandinavia, 15; Canada, 120; U.S. Peace Corps, 200; and U.S. other, 30.

Growing external debt

Tunisia's intense efforts to spur economic development under centralized direction have been reflected in its accumulating external debt. At the end of 1968 external debt totalled over $600 million. Suppliers credits composed $82 million, various banks $81, loans from international institutions nearly $70, and loans from governments nearly $380 million.

By country, the major creditors were ($ million): U.S., $150; France, $132; Italy, $94; West Germany, $63; and Kuwait nearly $40. The proportion of debt represented by supplier's credits has been reduced in the past two years, in conformity with the stand-by agreement with the International Monetary Fund.

Price and wage controls have been in effect since independence. Wages remained stable through 1969, except that agricultural workers were accorded a 10% increase in September—the basic minimum daily wage rose from 500 millimes ($0.95) to 550 ($1.04). At the same time, the fixed prices on many basic food items were reduced 8%-10% in response to pressures caused by rising price levels.

The index of the cost of living (1962—100) rose from 123 in mid-1968 to 134 in mid-1969. Rent and transportation prices also showed an upward trend. The Government moved in September to ease the situation of many occupants of low cost housing by declaring their rental arrangements would be prolonged through 1970, thus reducing the possibility of recent increases.

Through recent years the Tunisian Government has suffered persistent budgetary deficits as its capital or investment budgets have far outstripped excesses of current receipts over current expenditures. The deficit in 1968 was $86 million, financed by foreign loans, grants, and domestic resources. Although 1968 revenues were better by 6% than 1967, they were still greatly below projections as direct taxes and import duties fell short of forecasts.

Earlier this year Tunisian Government revenues were expected to rise by 19% to a total of $268 million because of a 10% increase in taxes across the board in January and increases in import duties. Statistics available through early 1969 did show current and capital receipts running 13-15% ahead of 1968, and overall expenditures holding to about the same level. Early prospects for a sizeable budgetary surplus were good. But the floods will increase current expenses and reduce tax receipts for the next several months; a modest surplus, at best, seems likely for the year.

DISTRIBUTION OF TEXTILES, as well as foodstuffs, has been emphasized in the drive for cooperative enterprises, but the program has slowed down recently. Above, weaver at traditional loom.

Another factor which appeared at the time of the change in economic policies in early September was the interest of the Tunisian Government in reducing its outstanding indebtedness to suppliers more rapidly than in the past, therefore adding to its level of current expenditures.

Effective monetary policy

Various measures of control over money and credit agreed to by the Tunisian Govenrment and the International Monetary Fund continued to have good effect through 1969. They included the maintenance of an appropriate statutory reserve requirement, a strict limitation on recourse by the commercial banks to the Central Bank, the continuation of a requirement imposed in 1968 to limit the short-term indebtedness of the commercial banks to foreign banks, and the imposition of an overall ceiling on the Central Bank's domestic assets.

Through the first half of the year the total of cash and demand deposits, which stood at 167 million dinars at the end of 1968, rose to 170 million, or only 2%. The domestic assets of the Central Bank remained considerably below the ceiling.

However, the banking system continued to face structural difficulties. The two largest banks, the Societe Tunisienne de Banque (STB) and the Banque Nationale Agricole, (BNA) both state-controlled, suffered from very tight cash situations. The poor financial situation of many state enterprises and the arrears of the Tunisian Government with them accounted for some of the STB's difficulties, while the BNA found that an excessive amount of its loans were in default, particularly those of the agricultural cooperatives. The ratio of short-term liabilities for these two banks was about 33%, one-half of that of the commercial banks.

Some efforts to correct this situation were made by encouraging the commercial banks to join with the state-controlled banks in financing government-guaranteed projects, and some of the short-term indebtedness of the state enterprises was redistributed among the commercial banks.

A move, just begun, which may improve this situation over the next few years is a careful examination of state enterprises by the Tunisian Government. Better financial controls, institution of audit procedures and better management methods are measures likely to be undertaken.

Costa Rica still progressing

Nation now in fifth consecutive year of strong economic growth, with no end in sight

Costa Rica's gross national product (GNP) expanded by 10.2% (current prices) in 1968—the fourth consecutive year of rapid growth. In constant 1955 prices growth was 7.6% and per capita GNP increased about 4%, according to the Economic Trends Report from the U.S. Embassy in San Jose.

Few countries can match the average real annual 7.7% gross and 4.2% per capita growth rate Costa Rica has compiled since 1965.

All available economic indicators for 1969 show expansion at about the 1968 level. For example, Central Bank indices for retail sales (San Jose) and industrial wages in August were each 8.4% higher than a year previously.

Leading sectors in 1968 were industrial production (up 12%) and agriculture (9%) with commerce, government and construction also strong. These trends have continued during the current year and, barring unforeseen circumstances, should extend into 1970. The strongest commodity performance is in bananas, production of which has doubled since 1966 and probably will increase another 50% in the next two years.

U.S. is biggest supplier

The U.S. share of Costa Rica's imports was 37.7% in 1968, down 1% from 1967. In absolute value, however, U.S. sales went up $6.9 million. Imports in 1969 are continuing at a rising rate and the United States should share in this growth.

The most spectacular trade gains in recent years have been made by CACM members, which now account for 23% of imports. Many of the CACM suppliers, however, are U.S.-owned, so the decline in the U.S. share of this market is more apparent than real. Competition by international suppliers in Costa Rica is increasingly keen and such considerations as credit facilities and product service are of major importance.

With the considerable private and public investment, the latter largely in infrastructure, excellent opportunities are available for sales of industrial machinery, heavy earthmoving equipment, construction materials and industrial raw materials. Substantial foreign loans for agricultural development presently under consideration could lead to expanded sales opportunities of agricultural machinery, if approved.

The fairly good prospects for early approval of Alcoa's plan to invest $60 million in bauxite mining and processing in Costa Rica promises new opportunity for American business. Connected to the project is a Costa Rican Government investment of approximately $11 million in road and port development.

Most exports go to U.S.

The United States has traditionally been Costa Rica's best customer (46% of exports in 1968) and is likely to remain so. However, most of the products traditionally shipped to the United States are agricultural, and the market expansion prospects of some of these commodities are circumscribed by quota restrictions, for example, exports of meat. Some cotton textiles are also subject to quotas. Coffee exports to main markets are set by the International Coffee Agreement.

The exception to the above trend is bananas, and that product has accounted for most of the growth in exports to the United States. The obvious lesson is that, with the exception of bananas, non-traditional products will have to be found if Costa Rica's dynamic export performance to the U.S. market is to be maintained after the banana boom slackens.

Costa Rica welcomes and encourages private foreign investment, which is extended the same treatment as domestic capital. There is no indication that this attitude will change in the foreseeable future. Foreign companies particularly are expected to consider the welfare of Costa Rica in their business decisions, principally by stressing high value-added industries. Investment in recent years has fallen into the categories of: (a) production for export outside the CACM; (b) production for domestic consumption and CACM exports; (c) production exclusively for the domestic market.

Pending resolution of the CACM crisis most firms seem to be postponing further commitments which depend on Central American free trade for their viability. Even so, such evidence as is available seems to show that Costa Rican exports to CACM as a whole have been hurt very little since the Common Market crisis developed. The local economy and export sectors are so robust at present that, in any case, the short-term impact of such delays should be slight.

Of continuing concern in recent years to many Costa Ricans and to international lending agencies have been the growing government budgetary deficits. The Costa Rican Government made a determined but unsuccessful effort in mid-1969 to get legislative approval of a series of tax measures to remedy this situation, including a try for the 30% tariff surcharge provided in the Central American Common Market (CACM) San Jose Protocol.

Nevertheless, the 1969 budget deficit will likely be much smaller than originally anticipated—primarily because the high level of business activity has generated unexpectedly large tax receipts.

Current and capital expenditures—including those financed with foreign resources—will probably reach $132 million in 1969, up 11.6% over 1968 and revenues $105 million, 9.2% higher than the previous year. Although the aggregate budget deficit is forecast at $27 million, the amount which will have to be financed domestically, mainly through government sight redemption bonds, is little changed from the 1968 level because of increased foreign credits.

Deficit may decline

The 1970 budget is still in its preliminary stages, but tentative expectations are that the overall deficit will not increase. As foreign financing in 1970 will probably rise, the absolute and relative portions of the deficit to be financed domestically probably will decline. These projections are made on the assumption of a continued high level of economic activity, which is considered probable. Should this activity and public confidence decline, the fiscal situation could become critical.

In sum, the deficit problem, while undesirable and potentially serious for the long-run, seems manageable in the short-run. With this in mind the Government is in the process of submitting a series of tax and administrative reorganization bills to the Assembly which, if passed, would raise annual revenues by more than $15 million. There is no certainty, however, that action will be taken by the present Assembly before its term expires in May, nor can the attitude of the new Assembly on this matter be predicted.

The main fuel for Costa Rica's high

performance economy in 1969 has been provided by the booming export sector. This, of course, has produced a multiplier effect on domestic demand. In 1968 the value of exports increased by a whopping 19.7% and 1969 figures will probably show another rise in the range of 15%. Leading the way have been bananas, with beef, coffee, cacao and sugar on the agricultural side also showing important gains.

Industrial exports are also growing, destined principally for other CACM countries. The value of industrial products exported rose from $29.8 million (20.8% of total exports) in 1967 to $38.7 million (22.3% of total exports) in 1968. This secular trend has been evident since the early 1960's.

Through May Costa Rica's exports to the CACM were comparable to the 1968 rate. No subsequent data is available, but indications are that exports have held up well since the July war between Honduras and El Salvador. Principal items include fertilizers, tires and rubber products, chemicals, pharmaceuticals, textiles and clothing. It should be kept in mind, however, that despite the remarkable growth in Costa Rica's total two-way CACM trade (the 1968 level of $76 million was nearly ten times larger than 1963), this still represents only 20% of the country's world-wide total.

Rosy export picture

The prospects for Costa Rica's exports in 1970 are as favorable or better than in the current year: international coffee prices are higher than they have been in several years; banana exports are projected to rise by 13 million boxes (f.o.b. price approximately $1.60 per box) while prices hold firm or advance; cacao prices and quantities available are such that it should remain a good foreign exchange earner; meat and textile shipments under voluntary quotas to the United States have growth factors of 4 to 5% annually.

The only large cloud in this sunny picture is the CACM crisis. Should that situation worsen those Costa Rican firms depending on CACM free trade could be hard hit. Of smaller, but nonetheless serious, concern is the steady deterioration of Costa Rica's two principal ports, which have now become significant liabilities to the country's economy.

While the value of exports rose 19.7% in 1968, imports rose 9.6%. In the first six months of 1969, exports increased 8.8% and imports 12.6%. It is reasonable to assume that Costa Rica's history of merchandise trade deficits will persist in 1969 and probably 1970 but, because of increased export earnings, they should be lower than in recent years.

U.S. investors are exploring opportunities

Costa Rica attracts much interest on the part of American investors because of its favorable business climate, political and economic stability and liberal investment laws. In addition to corporate activity, large numbers of individual American investors who are agriculturalists, cattlemen, professional and business people are seeking a new environment in Costa Rica in which to use their capital and skills. Only a small percentage of those who investigate possibilities here succeed in establishing a base because of difficulties in finding local capital, partners and supervisory personnel, competition from other CACM firms, and administrative delays. Nevertheless, the number and resources of American enterprises has been growing and probably will continue to do so.

Added to the trade imbalance is a yearly net services deficit of $30-35 million. After positive net transfer payments of $9-12 million have been added, a $40-50 million overall 1969 balance of payments deficit will probably remain.

Such deficits, covered by capital movements, are not unusual or even undesirable in a capital-short developing country, provided the imports go for productive purposes and the debt service burden is kept manageable. This has been the case in Costa Rica. Since 1968, short-term private foreign loans have been replaced to a great extent by private long-term financing and investment capital, thereby creating a much more favorable debt structure. The commercial arrears problem has been solved. Meanwhile, Central Bank net foreign exchange reserves have increased steadily and may continue to do so into the coming year. Foreign government and international agency loans, which have been modest for some time, may also increase in 1970.

As a result of this much improved foreign exchange picture the free market rate of the colon has appreciated in the past year, moving from 7.32 per $1 in October 1968 to 6.92 per $1 on April 1, 1969 where it has since remained. There are now persistent rumors that the official and free market rates will be unified at 6.65 by the Central Bank within a matter of months, particularly if the Assembly acts to increase taxes.

Policies dampen inflation

Costa Rican Government expenditures have expanded considerably over recent years, but, given public demands for extended social services, they would have risen much faster had there not been conscious efforts to avoid an overheated economy.

Considering the country's very rapid growth since 1965, inflation has been a relatively minor problem—the workers' cost of living index has risen only 7.6% since 1964. It appeared in 1968 that inflation might be taking hold when prices went up 4.1%. This was largely due to the imposition of a 5% sales tax, and during the first seven months of 1969 the rate slowed to 2.8%.

The major tools used to dampen price rises have been a liberal import policy and Central Bank credit restraint. Since 1966 total public and private credit have expanded at an average annual rate of 6.8%—less than the economic growth rate. The Central Bank has chosen to operate primarily through the imposition of ceilings on overall amounts which commercial banks can loan and limits on the credit which can be extended to each area of the economy. With demand deposits rising rapidly and loans limited, commercial bank excess reserves have mounted. At present interest rates (set by the Central Bank), credit demand exceeds allowable supply, because of credit ceilings, and commercial banks must ration their funds.

Recent credit trends

Two noticeable trends have developed in the credit picture since 1964: (a) public sector credit is expanding more rapidly than in the much larger private sector; (b) private credit is being financed increasingly from external resources. The first trend was apparently arrested in 1968 with public credit absorbing about 20% of the total. The second development is largely in response to Central Bank exemption of loans using non-domestic funds from credit ceilings.

With large numbers of Costa Rica's young population now coming into the labor market, the economy must operate at a high pitch to keep the estimated unemployment rate of 7% from rising. Thus, while industrial employment increased 6% during the first six months of 1969 and reached 122.4% of the 1966 level, the unemployment rate has probably not declined.

During this period industrial wages and salaries were up 8.4%, more than one-third above the 1966 average. A biennial review of minimum wages is due in 1970.

Expected British Honduras upsurge should benefit U.S. trade, investors; tourism industry has top potential

U.S. already has firm one-third share of import market; stable government, English language are advantages for Americans

An English-speaking enclave in Central America facing onto the Caribbean, British Honduras has an area of 8,867 square miles but a population of only 122,000. It has barely begun to exploit the more than two million acres of cultivable land which constitute its major resource now that most of the mahogany has been cut over, according to the Economic Trends Report from the U.S. Consulate in Belize City. The United Kingdom controls only defense and foreign affairs; since 1965 the country has been internally self-governing through a system of parliamentary democracy. The literacy rate is on the order of 90% and there is extensive contact with the outside world, particularly the United States.

Much is offered

The anticipated upsurge in the pace of economic development in British Honduras provides an opportunity for both U.S. investors and exporters. Besides closeness to the United States and good agricultural and tourist potential, British Honduras offers investors attractive development concessions, a literate English-speaking population, a stable parliamentary democracy and a British legal system.

U.S. investors, with their know-how in mechanized agriculture, capital-intensive primary product processing and tourism, are in an excellent position to take advantage of these attractions. U.S. Government (AID) specific risk investment guarantees are available for U.S. investors who wish to insure themselves against war risk, civil insurrection, expropriation and inconvertibility. Extended risk guarantees, which cover all business risks, are also available for acceptable projects.

In time, economic development will lead to increasing self-sufficiency in basic foodstuffs, which now account for a large portion of U.S. exports to the country, and the share of heavy equipment and capital goods imports will be larger. Expansion in agriculture will give further opportunities for U.S. producers of tractors, implements, seeds, fertilizers, special feeds, chemicals, and processing equipment. (Fertilizer imports increased from $342,000 in 1967 to $460,000 in 1968, with the U.S. share running about 75%, for example.) Expansion of the tourism industry will offer similar opportunities for construction and hotel equipment from the United States.

Mixed feelings about growth

Gross domestic product is probably growing at something like 8% annually, but this is largely offset by a rapid population growth of over 3% and, since the November 1967 devaluation, by inflation as well. Businessmen see the economy as expanding but believe that it will take spectacular new developments in tourism or agriculture to set off rapid development. Much of the current impetus for growth comes from a $12 million new capital project (British-financed), from other construction activity, and from smaller private investments in agriculture and tourism. Agriculture is having a mixed year but probably will balance out slightly on the plus side. Tourism earnings, while still small, are growing and could expand rapidly.

Sugar continues to be by far the most important agricultural product, the largest export earner and the largest single factor in the economy. Although 1968-69 production was down by 18%, prices rose almost enough to offset the production decrease. The higher prices per ton paid for the recent crop should encourage individual cane farmers to invest in fertilizer, insecticides and new plantings, and help bring 1969-70 production back toward the target of 60,000 long tons of sugar. Production beyond this is limited by the International Sugar Agreement and the U.S. quota.

Investment in cattle has been further stimulated by higher price ceilings, by government-sponsored auctions, and by progress toward completion of the country's first modern packing plant, which plans eventually to export beef. A U.S. citizen rancher is constructing the country's first feed lot operation. There is also investment interest in hogs, which will be slaughtered in the packing plant and cured for local consumption. Although the country still imports roughly three million pounds, or 40% of its rice, both the government and local and foreign investors are experimenting with mechanized rice growing, and the country could become an exporter of rice virtually overnight.

More visitors are coming

Appreciation of the country's tourist attractions—a 160-mile barrier reef, offshore islands, fishing, skindiving, tropical forests and Maya ruins—appears to be growing. Air tourist arrivals, although still small, are increasing steadily, and the government estimates annual tourism earnings of $1.5 to $2 million, which would make the industry the country's largest foreign exchange earner after sugar and citrus.

Close to 100 additional rooms have been added for the 1969-70 season, most of them in 12-16 room units on the southern beaches or offshore islands. Two U.S. groups are planning hotels to meet the need for expanded facilities in the Belize City area. One of them wants to include a casino, but the government has not yet decided whether or not to permit casinos in the country.

The small local market seriously restricts the manufacturing sector. Development concessions were granted this year for establishment of the country's first brewery, small steel re-rolling mill, flour mill and paint mixing operation, and two applications are in hand for development concessions for fertilizer mixing. Williamson Industries, a subsidiary of Williamson-Dickie of Forth Worth and the only company manufacturing for export, now employs 215 people in the assembly of

Time to get a foothold

Although it will be many years before British Honduras will constitute much of a market for U.S. exports, those U.S. exporters who establish themselves now will be in the best position to participate in the expansion. The United States has a firm one-third share of the British Honduras market—a slightly larger share than that enjoyed by the United Kingdom, which has the advantage of the preferential tariff. Leading U.S. exports to British Honduras include foodstuffs, apparel, textiles, cosmetics, household appliances, automobiles, and earth-moving equipment.

coveralls for shipment to the United States and jeans for export to the United Kingdom.

The $12 million new capital has been the major factor in the building industry for the past two years, causing shortages of building materials and of skilled labor. The project involves construction of a governmental headquarters and town for 5000 fifty miles west of Belize. Meanwhile in Belize City, a Canadian-aided bridge is virtually complete, and private construction has picked up somewhat, with semi-governmental bodies and the banks supplying more mortgage money. The question is whether the momentum in the industry will continue as the new capital nears completion in early 1970.

A $750,000 AID housing investment guarantee scheme is still pending and will probably be built if the private sponsors decide to go ahead. Other public and private construction projects, such as roads, Electricity Board facilities, a new bank headquarters, the brewery and the proposed hotels will help take up the slack in the industry, as will the anticipated continued flow of mortgage money from the semi-governmental agencies and banks.

The government has virtually no control over the money supply. Banking statistics show a spectacular increase of 93% in credit outstanding, but this reflects primarily one or two large loans to foreign-based firms who chose to borrow from the local branches of British and Canadian banks rather than to finance their operations in British Honduras from their own resources or to borrow abroad. This notwithstanding, there has been an easing of credit availability since the opening of the Bank of Nova Scotia branch in Belize in late 1968. This has not led to appreciable expansion of the money supply (currency outstanding and demand deposits) however, but there has been an increase in savings and time deposits at commercial banks by 20 to 25%.

Prices moving upward

Inflation began after the November 1967 devaluation of the British Honduras dollar, which is tied to sterling, and probably continues today at a slower rate. The government discontinued publication of its cost of living index in March 1968, but wage increases since then have run from 8 to 25%, with the government itself giving junior civil servants a 15% raise and senior civil servants a 10% raise during 1969.

As a result of higher sugar, citrus and other primary exports cited above, total domestic exports hit an all-time high in 1968 and exceeded 50% of imports for domestic consumption for the first time in several years. The wide gap between imports and exports continues to be made up by remittances, foreign bank loans to their British Honduras branches, tourism earnings, private foreign investment and British grants and loans. The British assistance in 1968 was over $6.6 million, of which about $4.3 million was for the new capital. The figure for the new capital alone in 1969 was budgeted at $6.7 million.

The government has in recent years been able to cover its recurrent expenses ($8 million in 1969), but has relied on British assistance for virtually all of its capital expenditures. A government-appointed committee is reviewing the tax structure, but even if the government increased taxes to the point of completely stifling incentive it could not raise the money internally for the roads, ports and telecommunications facilities needed by a country of its size.

Financing facility

British Honduras has joined the Caribbean Development Bank, which will have soft loans available for such projects. It also expects that assistance from the United Kingdom for roads, in particular, will rise following completion of the new capital, although total U.K. assistance will be less than it has been in recent years. Further Canadian assistance is also expected, which the government hopes to direct into construction of sewage systems.

Discussions with local officials, businessmen and bankers indicate that there has been a small but encouraging flow of domestic money into agriculture and import-substitution industries this year, and continued small foreign investments in agriculture and tourism. The short run outlook is for more of the same but in larger quantities.

The government encourages private investment through development concessions providing for tax-free corporate status for 10 to 15 years and duty-free importation of capital goods. Foreign investment is welcomed wherever domestic capital is not available, although some domestic participation is encouraged in all cases.

Thirteen development concessions have already been granted this year, against only three in all of 1968. Leaving out a few projects known to be dead, the total value of the concessions is on the order of $1.5 to $2 million, plus about $3 million for one tourist hotel (the one which wants a casino). If these projects get going soon, they will help take up the slack which is likely to occur after the completion of the new capital.

It appears to be only a matter of time —perhaps two or three years—before the country begins more rapid economic development. The stimulus will have to come from private investment, but the country is small enough so that it will only take one or two $10 million projects or a combination of smaller investments to increase the rate of development significantly. Because of the small size of the local market, most investment will be based on foreign demand.

Concentrate on capital

Also, while the existing urban unemployment and underemployment could be the basis of some labor intensive operations, the small, highly literate population argues for capital intensive operations in the long run. Areas which appear good candidates for future expansion include agriculture (particularly basic grains, livestock, and fruits and vegetables for export); primary product processing, such as core stock veneer or food processing; and tourism. Three projects are presently identifiable, any one of which will itself have a major impact and will generate much additional investment:

► A $300,000 packing plant which will be completed in early 1970. This plant, which will process beef for export (to the Caribbean market, primarily) and pork for local consumption and possibly export, will provide ranchers with a certain market for their production;

► Two proposed $3 million tourist hotels. With about 150-200 rooms each, either of these could set off a real tourist boom;

► A proposed 30,000-acre rice project. This would make rice at least as important as sugar now is in the economy.

The major international political issue remains the Guatemalan claim to the territory. Domestically, the only potentially threatening element is a new revolutionary movement which preaches violence, "power to the people" and opposition to "U.S. imperialism," but which so far has not pursued violent or guerrilla tactics.

Trade area entry considered

The Government, with the authority of the House of Representatives, is exploring suitable terms and conditions for British Honduras' entry into the Caribbean Free Trade Area (CARIFTA). Membership would give British Honduras a preferred position in the Commonwealth Caribbean for its agricultural production and other exports. Shipping and communication links exist with Jamaica, whose population of about two million would provide a strong market for beef, rice and red kidney beans from British Honduras.

India plastics firm seeks U.S. know-how

Established Calcutta company interested in lamination, new items

A well-established Indian plastics manufacturer seeks U.S. participation in developing a broad range of plastics packaging products and other products involving the lamination of plastics on jute, metal foil, fabrics and rigid backing material. The firm is particularly interested in obtaining U.S. technical, managerial, and marketing know-how.

The Indian concern is also interested in the manufacture of new products for the plastic and chemical industries. These include phthalates, cellulose acetate flakes, subacates, sebacic acid, PVC containers and packaging materials, PVC coated iron sheets and polyethylene fabrics. Necessary machinery and equipment for the project will be imported from the United States.

Located in Calcutta, the concern currently produces cellulose acetate moulding granules, polyvinyl chloride compounds and phthalic plasticisers. It employs about 400.

Write: Sen Gupta, Managing Director, East Anglia Plastics (India) Ltd., East Anglia House, 3 Camac St., Calcutta 16, India. WTD. **P-70306.**

British steel firm desires license for structural items

A long established British Engineering Contractor, manufacturer and exporter of structural steel items and pressed steel tanks seeks U.S. licenses to manufacture similar products. Its labor force includes 1,026 persons in addition to a sales force of 15.

Write: Braithwaite & Co. Structural Ltd., 59 Church Road, Great Bookham, Leatherhead, Surrey, England. WTD. **P-70271.**

Australian State of Tasmania publishes investment book

U. S. firms contemplating investment in Australia may be interested in obtaining a copy of a recent publication entitled *Tasmania: A Businessman's Handbook.* Prepared by the Tasmanian Directorate of Industrial Development and Trade, the 106-page booklet describes life in Tasmania, touching on such areas as climate, housing and education. The State's physical resources, including hydro-electric power, water and minerals are covered in some detail and it is pointed out that Tasmania has the lowest electric rates in Australia. Other chapters describe Tasmania's current industries, transportation and communications facilities and outline Australian government policies pertaining to taxation, exchange control and tariffs.

U.S. companies interested in obtaining a copy should **write:** The Tasmanian Directorate of Industrial Development and Trade, GPO Box 1336N, Hobart, Tasmania 7001, Australia. **P-70308.**

Japanese firm looking for U.S. joint venture partner

Participation by a U.S. firm in a project to produce and assemble educational scientific instruments for the Southeast Asian market is sought by a Japanese company. The firm is a leading manufacturer and distributor of educational scientific instruments in the Nagoya area and employs about 130.

Write: Yagami Scientific Instruments Mfg. Co., Ltd., 2-29 Marunouchi 3-chome, Naka-ku, Nagoya, Japan. WTD. **P-70309.**

Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

U.K. aerospace company seeks U.S. licenses to make electronic, hydraulic items

A British maker of aerospace equipment, jigs, tools and components for the electronic and automotive industries seeks licenses. The firm is interested in the production of electro mechanical and hydraulic devices, hydraulic equipment, heavy vehicle components, electronic instruments and tooling for machine shops. A subsidiary company designs and manufactures control gear, test equipment and special purpose machines.

Write: Oak Jig & Tool Co. Ltd., Acre Street Works, Hollinwood, Oldham, Lancashire, England. WTD. **P-70297.**

German producer desires plastics machinery license

A license to manufacture plastics machinery utilized in the production of plastic plates and kitchenware for restaurants and cafeterias is sought by a large German firm. Currently, the company makes heating and cooking equipment and special industrial machinery. It has approximately 1,500 employees.

Write: Gerhard Sokolowski, Frank'sche Eisenwerke AG, 6340 Dillenburg, Postfach 260, Germany. WTD. **P-70307.**

British firm wishes license for gear boxes, other items

A license to manufacture gear boxes and similar products is sought by a British firm. The company is also interested in medium size machining and sub-assembly work. It is affiliated with the P.C.A. Group, whose member companies engage in instrumentation control, communications engineering, pipe work and sheet metal fabrication.

Write: P.C.A. (Precision Engineering) Ltd., Old Bidston Road, Birkenhead, Cheshire, England. WTD. **P-70300.**

World Trade Opportunities Continued through page 43

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

091 Fisheries

09120—SWEDEN—Fresh frozen eel for smoking, canning. Alexporten AB (importer, distributor, manufacturer), Box 61, S-290 20 Ahus. WTD 11/69.

195 Small arms

19512—GERMANY—Sporting pistols and rifles; weapons for self defense such as gas pistols, compressed air guns, other intimidating weapons. IMEX Import-Export GmbH (importer, distributor), 5249 Hamm-Sieg, Postfach 75. WTD 11/69.

203 Canning, preserving foods

20310—SWEDEN—Salted salmon for smoking. Alexporten AB (importer, distributor, manufacturer), Box 61, S-290 20 Ahus. WTD 11/69.

20332 — BRAZIL — Green peas (entire); sizes: small and Alaska US 1. Correspondence requested in Portuguese and Spanish. Industrias Alimenticias Beira Alta S.A. (importer, distributor, manufacturer), Rua do Acre, 47 3° andar salas 311/313, Caixa Postal 4283, Rio de Janeiro ZC-05 GB. WTD 10/69.

20332—GERMANY—Canned green beans, cut and French style, 2/2 N. 10. Requests price quotations f.o.b. American ports. Direct purchase and agency. Gebr. Lueck (importer, agent), 5 Koeln-Braunsfeld, Stolberger Strasse 1. WTD 10/69.

20341—BRAZIL—Dried prunes. Correspondence requested in Portuguese and Spanish. Industrias Alimenticias Beira Alta S.A. (importer, distributor, manufacturer), Rua do Acre, 47 3° andar salas 311/313 Caixa Postal 4283, Rio de Janeiro ZC-05 GB. WTD 10/69.

20372 — SINGAPORE — Quick frozen mustard greens, collard greens, kale greens, turnip greens in retail-institutional packs. Harold Goon, Buyer of Perishables Buyers Dept., Fitzpatrick's Food Supplies (Far East) Ltd. (importer, distributor, retailer), 300 Orchard Rd., P.O. Box 499, Singapore 9. WTD in preparation.

225 Knitting mills, products

22560 — NETHERLANDS — Bonded synthetic piece goods, such as jersey cloth made of acrylic fibers suitable for manufacture of ladies' dresses; knit pile fabrics for lining of jackets, rainwear. Direct purchase and/or exclusive agency. Euroflex N.V., attn; J. A. Hey (importer), 16 J. van Dieststraat (P.O. Box 121), Amersfoort. WTD in preparation.

229 Textile goods

22991 — NETHERLANDS — Nonwoven textiles, such as bonded fiber fabrics and fusible bonded fiber fabrics for wearing apparel industry. Exclusive representation. Euroflex N.V., attn: J. A. Hey (importer), 16 J. van Dieststraat, (P.O. Box 121), Amersfoort. WTD in preparation.

262 Paper mills

26211 — GERMANY — Newsprint. Requests price quotations c.i.f. Hamburg or Bremen. Direct purchase and agency. Correspondence requested in German. H. Wehmeier KG. (importer, distributor), 48 Bielefeld, Werther Strasse 6. WTD 10/69.

264 Converted paper, paperboard products

26413 — GERMANY— Self-adhesive papers. Requests replies from manufacturers only with price quotations c.i.f. European ports. Metallpapierfabrik H. Benkert GmbH. (importer, distributor, exporter), 4690 Herne/Westf., Postfach 169. WTD 10/69.

281 Industrial chemicals

● **28100—BURMA**—Chemicals for paper manufacture, rosin, fortified, 150 long tons, suitable for high brightness printing and writing paper; aluminum sulfate, 225 long tons, 12% Al_2O_3 minimum, iron less than 0.2% and insoluble matter 0.5 maximum; soda ash, 5 long tons, 98% Na_2CO_3; clay for paper making, 1,500 long tons, whiteness 90, maximum of 2% left on 200 mesh screen; dye, 100 kilograms, basic direct dye, ultramine blue; and titanium dioxide, 30 long tons. Copies of complete tender terms, specifications, container sizes available. Tender No. 32(1) PF&CIB(K) 69/1842; bid deadline Dec. 15. For and on behalf of Myanma Export Import Corp., with bids to be submitted to the General Manager/Secretary, Paper Factory and Chemi-

cal Industries Board, Rangoon. Copies available from Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3468). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

● Chemicals for use in paper making: rosin, 10 long tons, for sizing, emulsified and fortified; acrylic polymer, 10 long tons, to prevent powdery surface; aluminum sulfate, 45 long tons, 17% minimum Al_2O_3, maximum 0.1% H_2SO_4, and less than 0.7% Fe; dye, 2 metric tons, Rodamine BN450 or its equivalent color; dye, 2 metric tons, Victoria Pure Blue BON 110 or its equivalent color; dye, 4 metric tons, brilliant green; felt, cleansing agent, 500 kilograms; sodium silicate, 80% minimum, 2 long tons, solid form; sodium carbonate, 10 long tons; slimicides, 500 kilograms, non toxic; and cleansing agent for phosphorbronze wire, 500 kilograms. Tender No. 32(T)PF&CIB(K) 69/1840; bid deadline Dec. 15. For and on behalf of Myanma Export Import Corp., with bids to be submitted to the General Manager/Secretary, Paper Factory and Chemical Industries Board, Rangoon. Copies of complete tender terms, specifications and container sizes are available from Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3468). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

● Various types organic and inorganic chemical reagents and laboratory supplies, 284 separate items. Various quantities and container sizes. Tender quotation No. 23/90; bid deadline Dec. 31. Bids to be submitted to the Mineral Development Corporation (Procurement Department) Kanbe, Yanken, Rangoon. Copies of tender terms, with list of items available from Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3468). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

● **28100—CEYLON**—Supply of textile vat dyes, 26 in all, 3 cwts. each, packed in 28 pound containers. Tender No. 69/49, bid deadline Feb. 1. The Department of Rural Development and Small Industries, Colombo 7. Terms and specifications available from the Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3464). A copy is also available for review at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

28151 — DOMINICAN REPUBLIC — P-Phenylene-diamine powder ($C_6H_4(NH_2)_2$ (1,4), in drums of 50 to 100 kilos lots; 500 to 1,000 kilos lots. Laboratorio Landestoy (manufacturer), Dra. Cristina Landestoy de Brea, Calle Cervantes No. 21, Santo Domingo. WTD in preparation.

28183—BRAZIL—Citric acid BP/USP; propylene glycol. Direct purchase and agency. SALDEC Produtos Quimicos e Pecuarios Ltda. (importer, agent), Av. Rio Branco, 106/108 sala 1301, Rio de Janeiro, ZC 21 GB. WTD 8/69.

28185—BRAZIL—Pyrogallic acid; inositol. Direct purchase and agency. SALDEC Produtos Quimicos e Pecuarios Ltda. (importer, agent), Av. Rio Branco, 106/108 sala 1301, Rio de Janeiro, ZC 21 GB. WTD 8/69.

283 Drugs

28348—BRAZIL—Tyrothricine; antibiotics in general. Direct purchase and agency. SALDEC Produtos Quimicos e Pecuarios Ltda. (importer, agent), Av. Rio Branco, 106/108 sala 1301, Rio de Janeiro, ZC 21 GB. WTD 8/69.

289 Chemical products

28910 — DOMINICAN REPUBLIC — Capsules, clear, empty, size no. 00, to be filled with p-Phenylene-diamine powder in quantities of 50,000 to 100,000 monthly. Requests quotations for 50 to 100 kilo lots, 500 to 1,000 kilo lots. Laboratorio Landestoy (manufacturer), Dra. Cristina Landestoy de Brea, Calle Cervantes No. 21, Santo Domingo. WTD in preparation.

301 Tires, tubes

● **30100—BURMA**—Bids are requested by the Myanma Export Import Corporation (Import Division) for Tires and Tubes. Bids are due on or before December 10, 1969 at the Director-General, Mineral Development Corp., Rangoon, Burma. Tenders are available on loan basis from Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3381). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-566-5868).

306 Belting, belting material

● **30600—BURMA**—Bids are requested by the Myanma Export Import Corp. (Import Division) for Belting and Belting material. Bids are due on or before Dec. 31 at the Director-General, Mineral Development Corp., Rangoon, Burma. Tenders are available on loan basis from the Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3381). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

Bids are requested by the Myanma Export Import Corp. (Import Division) for Rubber Hose for air and water to be used with underground drilling machines. Bids are due on or before December 15, 1969 at the Director-General, Mineral Development Corporation, Rangoon, Burma. Tenders are available on loan basis from Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3381). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

311 Leather tanning, finishing

31110—HONG KONG—Split leather, tanned and half-tanned, for making gloves. Wong's Handicraft Co. (manufacturer, exporter), P. O. Box 4504, Aberdeen, Hong Kong. Cable: WONGMOCHE, Hong Kong. WTD in preparation.

32(Hydraulic cement

● **32400—BURMA**—Supply of rapid-hardening Portland cement conforming to British Standard 12 of 1958 or equivalent in 8,960 steel drums of 375 lbs. net each, or nearest. Bid deadline Dec. 29. Copies tender documents available from Construction and Building Materials Div., BDSA-645, U.S. Dept. of Commerce, Washington, D.C. 20230 ★(202-967-3602) and from U.S. Dept. of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

● **32400—PAKISTAN**—Supply of 250 tons of white cement in strong waterproof containers, containing 375 lbs. net weight. Quality of cement should be same as that of "Onolda" (Japan) or "Snowcrete" (U.K.) brands of cement. Bid deadline Dec. 22. Copies tender documents available from Construction and Building Materials Div., BDSA-645, U.S. Dept. of Commerce, Washington, D.C. 20230 ★(202-967-3602) and from U.S. Dept. of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

331 Steel mill products

● **33100—BURMA**—Mild steel round bars, 34 tons of various diameters. Tender #MEIC/B.R./15(T)11(MC-ML)/69-70; bid deadline Jan. 10. Union of Burma Railway Board, Rangoon. Copies of tender documents available from Iron and Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2363).

● **33100—IRAN**—Various quantities of items used in telecommunications—i.e. angles, galvanized wire, iron rods and iron straps. Tender #1154/48; bid deadline Dec. 27. Iranian State Railways, Tehran. Copies of tender documents available from Iron and Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230. ★(202-967-2363).

● **33100 — PAKISTAN** — Galvanized iron pipe, 37,250 running feet of various sizes, diameter, and wall thickness, welded or seamless, both sides threaded with socket at one end. Tender #S-5/175/69-70/IDA; bid deadline Dec. 16. Tender documents available for Rs. 25 (or its dollar equivalent) from Directorate of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca 2, East Pakistan.

335 Rolling, drawing, extruding of nonferrous metals

● **33500—BURMA**—Supply of track cable PVC 7/100, etc. Bid deadline Dec. 22. Contact The Chairman, Union of Burma Railway Board, Bogyoke Aungsan St., Rangoon, Union of Burma.

342 Cutlery, hand tools, general hardware

● **34200—BURMA**—Varying sizes and quantities of rubber hose and hose fittings. Tender No. 70/90; bid deadline Dec. 15. Mineral Development Corp., Kanbe, Yankin, Rangoon. Specifications are available, on a short term loan basis, from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230. ★(202-967-5585).

344 Water tanks, atmospheric pressure

● **34400—BURMA**—Supply of water tank and 40′ trestle, capacity 32,000 gallons. Tender No. 16/90; bid deadline Dec. 31. The Chairman, Mineral Development Corp., Procurement Dept., Kanbe, Yankin, Rangoon, Burma. Specifications available from the Power & Electrical Equipment Division, BDSA, Room 4124, Department of Commerce, Washington, D.C. 20230 ★(202-967-4241). A review copy available from the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

352 Farm machinery

35224 — COLOMBIA — Agricultural implements, similar equipment. Descriptive literature, price lists requested. Compania Colombiana de Inversiones Agricolas Ltda., Colinagro (importer, distributor, agent), Avenida Jimenez No. 8-74-Apartado Aereo 4671 Bogota. WTD 11/69.

353 Construction, mining, material handling equipment

● **35300 — BURMA** — Five 5-ton overhead gantry cranes of 45-foot span, 30-foot lift, 8 foot head room, 30 to 50 feet per minute hoisting speed, 80 to 100 feet per minute traversing speed, 150 to 200 feet per minute long traveling speed, electrically powered. Tender No. CAP-6 (T) MCY/STB/69-70; bid deadline Dec. 19. Chief Engineer, State Timber Board, Ahlone, Rangoon. Specifications are available on a short term loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington. D.C. 20230. ★(202-967-5585).

35300—GREECE—Electric gantry crane, 41-ton capacity, for handling containers. Bid deadline December 18. Port of Piraeus Authority (OLP), Technical Service, Equipment Management, Mechanical Engineering Section, Lykiardoudoulou Bldg., Akti Miaouli, Piraeus. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230 ★(202-967-5585); however, drawings may be obtained from the Romvos Company, 13 Aghiou Constantinou St., Piraeus for $1.00.

● Straddle carrier for carrying containers up to 40 ft. long, 8 ft. wide and 9 ft. high. Bid deadline Dec. 11. Port of Piraeus Authority (OLP), Technical Service, Equipment Management, Mechanical Engineering Section, Lykiardopoulou Bldg., Akti Miaouli, Piraeus. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230 ★(202-967-5585); however, drawings must be obtained from the Romvos Co., 13 Aghiou Constantinou Street, Piraeus for $.75.

● **35300—TUNISIA**—Diesel powered lift trucks of the following capacity: 4 of 2 tons; 10 of 3 tons; 3 of 7 tons, and 5 of 10 tons; Automotive telescopic cranes, wheel type: 3 of 6 tons, 3 of 15 tons (one of which is optional); 30 agricultural tractors of 40 to 45 hp; and 70 trailers of 4 tons capacity. Bid deadline Dec. 31. Office des Ports Nationaux Tunisiens, La Goulette, Tunis. Additional information is available from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230. ★(202-967-5585).

355 Special industry machinery

● **35500—BURMA**—10 press rolls, of various diameters, etc., with a rubber covering. Tender No. 33(T) PF&CIB(K) 69/1841; bid deadline Dec. 15. Paper Factory and Chemical Industries Board, Union of Burma Applied Research Institute Bldg., Yankin P.O., Kanbe, Rangoon. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Dept of Commerce, Washington, D.C. 20230 ★(202-967-5585).

● Twenty-three two-man electric chain saws and 44 two-man gasoline driven chain saws. Tender No. CAP-7(T) MCY/STB/69-70; bid deadline Dec. 19. Chief Engineer, State Timber Board, Ahlone, Rangoon. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230. ★(202-967-5585).

● **35500 — PAKISTAN** — Offset-letterset presses including: 1 sheet fed rotary for offset and letterset; 1 routing and bevelling machine; 1 process enlarger/color separator; 1 plate graining machine; 2 whirlers; 1 printing down frame for offset process; 1 etching machine; 2 multipurpose tables for lining-up, viewing, ruling, stripping and layout; 1 platen press for cutting and creasing and printing combined and darkroom lighting equipment. Tender No. S-12/154/69-70; bid deadline Dec. 10. Directorate of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca-2, East Pakistan, Specifications are available, on a short term loan basis, from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230. ★(202-967-5585).

● **35500—VIET NAM**—Complete equipment for manufacturing and canning paint, to include assistance in erection, start-up of plant and supply of material to operate plant. Bid deadline Dec. 12. Industrial Development Center, B.P. 336, Saigon. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230. ★(202-967-5585).

● Complete design, supervision of erection, supply of materials to operate a synthetic detergent plant, with a capacity of 12 metric tons per 12 hour day. Tender No. 4168 NSDA 706, bid deadline December 10. Industrial Development Center, 40-42 Nguyen Hue Blvd., P.O. Box 336, Saigon. Specifications are available, on a short term loan basis, from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230. ★(202-967-5585).

35513—UGANDA—Pin-disc mill with an approximate capacity of one-half ton per hr. for milling soy beans, corn. Input to mill will be precooked soy beans processed in an extruder and corn precooked in rotary oven. Africa Basic Foods, Inc. (importer, manufacturer), P.O. Box 3740, Kampala. WTD in preparation.

35521—PAKISTAN—Back process machinery for cotton spinning unit consisting of 12,500 spindles spinning with an average 20s count using Pakistani cotton having average staple length of 1". Complete list of desired machinery available from Trade Opportunities Staff, BDSA-541, Rm. 4059, U.S. Dept. of Commerce, Washington, D.C. 20230. Industrial Development Bank of Pakistan (governmental entity), Kandawalla Building, Corner of Garden & Bunder Roads, Karachi. Attn: Mr. M. F. Hussain, Chief Officer.

356 General industrial equipment

● **35600—BURMA**—57 electric water pumps ranging from 50 Imp gallons per minute against 80 feet head to 500 Imp. gallons per minute against 150 feet head, plus spares. Tender No. 201/T/69-70/PWC/69-70; bid deadline Dec. 26. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230. ★(202-967-5585).

● **35600—KOREA**—15 vacuum pumps, 6 rotary air compressors, tobacco stem flattening machines, 2 tobacco cutting machines and other tobacco accessory equipment. Tender No. KFX-9297-S; bid deadline Dec. 10. Office of Supply, Government of the Republic of Korea, Seoul. Specifications are available from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230. ★(202-967-5585).

357 Office, computing, accounting machines

35731—FRANCE—Computer software packages. Software International (importer, agent, broker), 3 Rue de Montevideo, 75-Paris 16. WTD 10/69.

35733—SWEDEN—Parts, attachments for electronic computing equipment (hardware). Esselte System AB (importer, manufacturer, agent), 18 Vasagatan, S-111 20 Stockholm. WTD 11/69.

361 Electric transmission, distribution equipment

36131—BRAZIL—Micro switches. Tecnowatt Industria Eletrotecnica Ltda. (importer, manufacturer), Rua Ulhoa Cintra, 33 Caixa Postal 776, Santa Efigenia, Belo Horizonte, Minas Gerais. WTD in preparation.

362 Electric welding machines

● **36200 — BURMA** — Welders, including: five 250 amp welders at 60 percent duty cycle, two 500 amp welders at 60 percent duty cycle, and two 16 KVA AC transformer spot welders. Tender No. P-7(q) PWC/69-70, bid deadline Dec. 11. Chairman, Public Work Corp., 60 Shwedagon Pagoda Road, Rangoon. A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

364 Electric lighting, wiring equipment

36430 — COLOMBIA — Automatic pressure switches for compressors. Samudio Hermanos Ltda. (importer, distributor, retailer), Calle 13 No. 13-87, Bogota. WTD 11/69.

366 Communication equipment

36621 — IRAN — Electronic communications equipment. Zoubin Co. Ltd., (importer, distributor, agent), 754 Saadi Ave., Tehran. WTD 10/69.

367 Electronic components, accessories

36749—BRAZIL—Photo cells for use in photoelectric relays for controlling public illumination. Tecnowatt Industria Eletrotecnica Ltda. (importer, manufacturer), Rua Ulhoa Cintra, 33 Caixa Postal 776, Santa Efigenia, Belo Horizonte, Minas Gerais. WTD in preparation.

369 Storage batteries

● **36900—BURMA**—Supply 90 each nickel cadmium battery, 5 cells type 6V/100 AH and 90 each nickel cadmium battery, 5 cells type 6V/50 AH, Tender No. MEIC/B.R./14(T)16 (ES/69-70). Bid deadline January 16. The Chairman, Union of Burma Railway Board, Bogyoke AUNGSAN Street, Rangoon, Union of Burma. Specifications & terms available from the Power & Electrical Equipment Division, Room 4124, BDSA, Department of Commerce, 20230 ★(202-967-4241). A review copy is available from the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

371 Motor vehicles, motor vehicle equipment

37111—MALAWI—New and nearly new U.S. automobiles, including sporting sedans, in quantities of up to six at a time. Detailed price lists, especially for used cars requested. Quotes in £ sterling. A. G. A. Karim & Sons (importer, distributor, retailer), Kamuzu Highway, P.O. Box 5587, Limbe WTD 6/69.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

011 Commercial farms

01131—FRENCH WEST INDIES—Rice. Correspondence requested in French (or English but reply will be in French). Maison Julien Dreyfus (agent), 8 Rue Garnier Pages, P.O. Box 456, Fort-de-France, Martinique. WTD 10/69.

01136—FRENCH WEST INDIES—Red kidney beans. Edouard S. Figuieres (agent), 45 Rue Saint-Louis, P.O. Box 265, Fort-de-France, Martinique. WTD 10/69.

Red kidney beans, other dry vegetables. Correspondence requested in French (or English but reply will be in French). Maison Julien Dreyfus (agent), 8, Rue Garnier Pages, P.O. Box 456, Fort-de-France, Martinique. WTD 10/69.

012 Fruit, tree nut, vegetable farms

01231—FRENCH WEST INDIES—Mexican or American garlic. Edouard S. Figuieres (agent), 45 Rue Saint-Louis, P.O. Box 265, Fort-de-France, Martinique. WTD 10/69.

201 Meat products

20116—FRENCH WEST INDIES—Smoked hams. Edouard S. Figuieres (agent), 45 Rue Saint-Louis, P.O. Box 265, Fort-de-France, Martinique. WTD 10/69.

20136—FRENCH WEST INDIES—Smoked hams. Correspondence requested in French (or English but reply will be in French). Maison Julien Dreyfus (agent), 8 Rue Garnier Pages, P.O. Box 456, Fort-de-France, Martinique. WTD 10/69.

221 Broad woven fabric mills, cotton

22116—TAIWAN—Upholstery fabrics for furniture. Mei Chong Trading Co., Ltd. (importer, agent), 77 Hankow St., Section 1 (P.O. Box 1677), Taipei. WTD in preparation.

22116—SWEDEN—Finished cotton broadwoven fabrics, printed and finished, plain dyed and finished, for leisure-wear apparel (ladies' and men's shirts, skirts, jackets, slacks). Firma Harry Dobson (importer, agent), 82 Regeringsgatan, S-111 39 Stockholm. WTD in preparation.

222 Broad woven fabric mills, manmade fiber, silk

22213—SWEDEN—One hundred percent spun rayon and/or acetate fabrics, including blends, for leisure-wear apparel (ladies', men's shirts, skirts, jackets, slacks). Firma Harry Dobson (importer, agent), 82 Regeringsgatan, S-111 39 Stockholm. WTD in preparation.

22214—SWEDEN—One hundred percent spun polyester blends with cotton fabrics, for leisure-wear apparel (ladies' and men's shirts, skirts, jackets, slacks). Firma Harry Dobson (importer, agent), 82 Regeringsgatan, S-111 39 Stockholm. WTD in preparation.

229 Textile goods

22950—NETHERLANDS — Fusible woven interlining for wearing apparel industry. Exclusive representation. Euroflex N.V. attn: J. A. Hey (importer), 16 J. van Dieststraat, (P.O. Box 121), Amersfoort. WTD in preparation.

239 Fabricated textile products

23926—SWEDEN—Bedspreads and bedsets, cotton, synthetic. Folke Osterholm (importer, agent), 34 Tyska Brinken. WTD in preparation.

23928 — SWEDEN — Sheets, pillowcases. Folke Osterholm (importer, agent), 34 Tyska Brinken, S-111 27 Stockholm. WTD in preparation.

23929 — SWEDEN — Terry cloth toweling, washcloths. Folke Osterholm (importer, agent), 34 Tyska Brinken, S-111 27 Stockholm. WTD in preparation.

251 Household furniture

25143—AUSTRALIA — Tubular aluminum garden and outdoor furniture; camping furniture. Ricall & Co. (distributor, manufacturer), 1st Floor, 33 Riversdale Rd., Camberwell, Victoria 3124. WTD 10/69.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505, 843-2386.

ANCHORAGE, ALASKA, 99501, 412 Hill Bldg., 632 Sixth Ave. Area Code 907, 272-6531.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404, 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301, 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205, 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617, 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716, 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803, 577-4171.

CHARLESTON, W. VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304, 343-6181 Ext. 375 and 376.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Area Code 307, 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 South Dearborn St. Area Code 312, 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513, 684-2944.

CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216, 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214, 749-3287.

DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303, 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515, 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313, 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919, 275-9111.

HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203, 244-3530.

HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808, 546-5977.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713, 226-4231.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904, 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 11 Walnut St. Area Code 816, 374-3141.

LOS ANGELES, CALIF., 90024, 11th Floor, Federal Bldg., 11000 Wilshire Blvd. Area Code 213, 824-7591.

MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901, 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305, 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414, 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612, 725-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504, 527-6546.

NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212, 264-0634.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215, 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602, 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1100 Liberty Ave. Area Code 412, 644-2850.

PORTLAND, ORE., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503, 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702, 784-5203.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703, 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314, 622-4243.

SALT LAKE CITY, UTAH, 84111 3235 Federal Bldg., 125 S. State St. Area Code 801, 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415, 556-5864.

SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912, 232-4321.

SEATTLE, WASH., 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206, 583-5615.

261 Pulp mills, products

26112—PAKISTAN—Pulp for paper. Steelex Machinery & Accessories (importer, distributor, agent), 99 Nawabpur Rd., G.P.O. Box No. 96, Dacca. WTD 10/69.

262 Paper mills

26216—GERMANY—Writing paper and intaglio paper. Requests price quotations c.i.f. Hamburg or Bremen. Correspondence requested in German. H. Wehmeier KG. (importer, distributor), 48 Bielefeld, Werther Strasse 6. WTD 10/69.

264 Converted paper, paperboard products

26411—GERMANY—Printing paper. Requests price quotations c.i.f. Hamburg or Bremen. Correspondence requested in German. H. Wehmeier KG. (importer, distributor), 48 Bielefeld, Werther Strasse 6. WTD 10/69.

26440—TAIWAN—Wallpaper, high quality. Mei Chong Trading Co., Ltd. (importer, agent), 77 Hankow St., Section 1 (P.O. Box 1677), Taipei. WTD in preparation.

281 Industrial chemicals

28122 — PAKISTAN — Sodium carbonate (soda ash). Steelex Machinery & Accessories (importer, distributor, agent), 99 Nawabpur Rd., G.P.O. Box No. 96, Dacca. WTD 10/69.

28123 — PAKISTAN — Sodium Hydroxide (caustic soda). Steelex Machinery & Accessories (importer, distributor, agent), 99 Nawabpur Rd., G.P.O. Box No. 96, Dacca. WTD 10/69.

283 Drugs

28349—HONDURAS—Veterinary supplies, especially veterinary pharmaceutical preparations. Agencia Detlef Paysen, S. de R. L. (importer, distributor, agent), Apartado Postal 252, Tegucigalpa, D. C. WTD 10/68.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

28445—SWEDEN—Cosmetics, toilet preparations. AB Bertil Joffe (importer, distributor, agent), 88 Sveavagen, S-113 59 Stockholm. WTD in preparation.

287 Agricultural chemicals

28712—HONDURAS—Fertilizers. Agencia Detlef Paysen, S. de R. L. (importer, distributor, agent), Apartado Postal 252, Tegucigalpa, D. C. WTD 10/68.

28790—HONDURAS—Agricultural chemicals. Agencia Detlef Paysen, S. de R. L. (importer, distributor, agent), Apartado Postal 252, Tegucigalpa, D. C. WTD 10/68.

307 Plastic products

30798—SWEDEN — Consumer, commercial plastic products, mainly for household use. AB Bertil Joffe (importer, distributor, agent), 88 Sveavagen, S-113 59 Stockholm. WTD in preparation.

331 Steel mill products

33121—PAKISTAN—Pig iron. Steelex Machinery & Accessories (importer, distributor, agent), 99 Nawabpur Rd., G.P.O. Box No. 96, Dacca. WTD 10/69.

342 Cutlery, hand tools, general hardware

34211—AUSTRALIA—Kitchen and table cutlery; household and kitchen scissors, shears. Ricall & Co. (distributor, manufacturer), 1st Floor, 33 Riversdale Rd., Camberwell, Victoria 3124. WTD 10/69.

352 Farm machinery

35228—HONDURAS — Agricultural equipment, Agencia Detlef Paysen, S. de R. L. (importer, distributor, agent), Apartado Postal 252, Tegucigalpa, D. C. WTD 10/68.

353 Construction, mining, materials handling machinery, equipment

35314—SWITZERLAND—Cable reels and drums for cranes, cable reel trailers, cable trolleys, spindle end switches, similar accessories for cranes; mechanical and electrical switch programs. Michelberger Industrie-Vertretungen, Attn: Bruno J. Michelberger (distributor, agent), P.O. Box 19, 8803 Rueschlikon. WTD 11/69.

35319—AUSTRIA—Construction machinery, equipment other than road construction machinery. Correspondence requested in German. Wallnoefer Ges.m.b.H. & Co. (importer, distributor, agent, servicing), Amraser Strasse 118, A-6020 Innsbruck, Tyrol. WTD 11/69.

355 Special industry machinery

35513—PAKISTAN—Rice cleaning, polishing machinery. Requests catalogs, quotations, C. & F., Karachi AG Services & Supplies (importer), 19-21 Naval Fleet Club, Inverarity Rd., Karachi. WTD 1/69.

35590—PAKISTAN—Machinery for cutting, sewing industrial leather gloves. Khas Traders (importer), Tannery Rd., Rangiwara, Karachi 2. WTD in preparation.

35590—SWITZERLAND—Sand blast apparatus, equipment. Michelberger Industrie-Vertretungen, Attn: Bruno J. Michelberger (distributor, agent), P.O. Box 19, 8803 Rueschlikon. WTD 11/69.

356 General industrial machinery

35642—GERMANY—Dust collection, industrial air purification equipment. Bernhard Klersy (agent, consulting engineer), Zollhofstr. 4/16, 6700 Ludwigshafen. WTD 11/69.

35662 — AUSTRIA — Hydraulic industrial gears, motors. Correspondence requested in German. Wallnoefer G.m.b.H. & Co. (importer, distributor, agent, servicing), Amraser Strasse 118, A-6020 Innsbruck, Tyrol. WTD 11/69.

358 Service industry machines

35852—PAKISTAN—Air conditioners, room and unitary. Steelex Machinery & Accessories (importer, distributor, agent), 99 Nawabpur Rd., G.P.O. Box No. 96, Dacca. WTD 10/69.

35853—PAKISTAN—Commercial refrigeration equipment. Anrhus & Shuzos Co. (agent), 79 Green Rd., Dacca-8. WTD 4/69.

361 Electric transmission, distribution equipment

36112 — TAIWAN — High precision electronic testing instruments, such as impedance bridges, oscilloscopes, sweep generators, phasemeters. Yuan Kong Enterprises, Ltd. (importer, agent), P.O. Box 22687, Taipei. WTD 6/69.

363 Household appliances

36312 — AUSTRALIA — Barbecuers, grills, braziers for outdoor cooking. Ricall & Co. (distributor, manufacturer), 1st Floor, 33 Riversdale Rd., Camberwell, Victoria 3124. WTD 10/69.

36330 — SWITZERLAND — Household washing machines, washing equipment for mechanical parts. Michelberger Industrie-Vertretungen, Attn: Bruno J. Michelberger (distributor, agent), P.O. Box 19, 8803 Rueschlikon. WTD 11/69.

36340 — SWEDEN — Electrical household appliances, small items. AB Bertil Joffe (importer, distributor, agent), 88 Sveavagen, S-113 59 Stockholm. WTD in preparation.

365 Radio, television receiving sets

36520 — SWEDEN — Phonograph records; music cartridges, 8-track and mini-cassettes. AB Bertil Joffe (importer, distributor, agent), 88 Sveavagen, S-113 59 Stockholm. WTD in preparation.

367 Electronic components, accessories

36740—GERMANY—Semiconductors. EBV Elektronik GmbH (importer, distributor, agent), Myliusstr. 54, 6000 Frankfurt 1. WTD 11/69.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

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371 Motor vehicles, motor vehicle equipment

37172—TAIWAN—Amphibious trucks. Requests catalogs. Grace Co. Ltd. (importer, agent), P.O. Box 890, Taipei. WTD 10/69.

394 Toys, amusement, sporting goods

39490—NEW ZEALAND—Fishing tackle, sporting and athletic goods. Exclusive agency. Alp Trading Co. Ltd. (importer), Kingdon House, Kingdon St., P.O. Box 9402, Newmarket, Auckland 1. WTD 10/69.

39491—AUSTRALIA—Fishing tackle, rods and reels; fish hooks, flies, lures, similar artificial baits. Ricall & Co. (distributor, manufacturer), 1st Floor, 33 Riversdale Rd., Camberwell, Victoria 3124. WTD 10/69.

Korean Office of Supply seeks tape equipment

The Office of Supply for the Government of the Republic of Korea has issued Tender No. KFX-9277N for the supply of tape recording equipment, which includes 22 portable tape recorders, monophonic two speed, and dual track, complete with microphones, spare parts and instruction manuals. The bid deadline is December 2.

Copies of the tender announcement and specifications are available from the Office of Supply, Government of the Republic of Korea, Seoul, Korea or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

New Books and Reports

INTERNATIONAL MARKETING INFORMATION SERVICE

Latest IMIS reports are:

EXHIBITORS EXPORT MARKET GUIDE (*for Trade Center Show*): *Paris*—Advanced Medical Equipment, May 12-16, 1970, IMIS—69-87. 10 cents.

Stockholm—Electronics Production and Testing Show, March 11-17, 1970, IMIS—69-89. 10 cents.

IMIS reports are available from Commerce Field Offices or from Sales & Distribution Branch, Room 2119, Department of Commerce, Washington, D.C. 20230.

***Overseas Business Reports*. U.S. Department of Commerce. Washington, D.C. 1969. $16 per year. ($5 additional for overseas mailing), 15 cents per copy.**

Basic Data on the Economy of Guadeloupe. OBR 69-50. 8pp. This report contains general information on the geography, climate, population and government of Guadeloupe. Foreign trade is covered and also the economic structure of agriculture, forestry, mineral resources, fishing, manufacturing, transportation, communications, utilities, private and public investments, tourism and finance.

Tables in the report show data on Guadeloupe's foreign trade 1966-67, imports by principal commodity 1966-67, exports by principal commodity 1966-67, principal exports by country of destination 1966-67, and principal U.S. exports to the French West Indies by principal commodity 1966-68.

Write: any Department of Commerce Field Office or Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

***The Japanese Electronic Industry*—1968. Published by Electronic Trends/International, Washington. Vol. III. 1969. 47pp. $50.**

This summary analyzes production and consumption in the Japanese electronics industry, 1968 and 1969 trends. In 1968 electronic production totaled $5.2 billion, or a 32% increase over 1967.

An appraisal of 1969 trends based on preliminary first quarter production data indicates a $6.5 billion production total. Exports amounted to $1.5 billion—the United States absorbed more than half of Japan's foreign shipments. Imports rose to $300.8 million in 1968, a 16.5% increase over 1967.

Write: Electronic Trends/International, 2001 Eye St. NW., Washington, D.C. 20006.

***The Individual Income Tax and Economic Growth*. By Vito Tanzi. Published by Johns Hopkins Press, Baltimore. 1969. 136pp. $8.50.**

Economic growth has acquired a prominence and status comparable to more traditional economic objectives such as price stability and full employment, according to this report. With the new emphasis, tax systems of industrial countries have therefore attracted considerable attention.

The individual income tax was selected for this study because it was considered to be the most important of the direct taxes and because many tax experts think it has been overemphasized in English-speaking countries.

This tax is compared and analyzed for several important industrial countries in the noncommunist world—France, Germany, Italy, Japan, the United Kingdom and the United States. A bibliography, tables, graphs and charts support the study.

Write: Johns Hopkins Press, Baltimore, Md. 21218.

***Economic Accounting and Development Planning*. By Brian Van Arkadie and Charles R. Frank, Jr. Published by Oxford University Press, New York. 1969. 366pp. $7.50.**

This American edition of a text originally intended for African students has been modified to include additional applications of economic accounting techniques and applications over a wider range of geographical areas. For example, methods are compared with techniques in developing nations.

A discussion of India permits the contrast of a large less-developed economy with the much smaller economies of East Africa. More advanced Latin American economies are compared with less-advanced African and Asian economies.

Write: Oxford University Press, 200 Madison Ave., New York, N.Y. 10016.

***The Performance of Foreign-Owned Firms in Canada*. By A. E. Safarian. Published by The National Planning Association, Washington, D.C. 123pp. $2 paperback.**

This study by Professor Safarian proceeds from his earlier book on "Foreign Ownership of Canadian Industry" by incorporating new data which have become available since 1966 and also includes some comparisons with the performance of American-owned companies in several other countries.

Among the topics covered are: (1) Characteristics of the managers and the boards of the foreign-owned firms; (2) The distribution of powers between the foreign-owned firm and parent; (3) The external trade of foreign-owned firms; (4) The efficiency of foreign-owned firms in Canada; and (5) Performance and the problem of extraterritoriality.

The author has attempted to examine the two opposite points of view; the views of those who consider foreign direct investment a boon to Canada and those who impute the motives of investors in the Canadian economy. Professor Safarian has attempted to draw upon all the relevant facts on the subject, including material from studies on foreign-owned firms in other countries, particularly in Britain and Australia. He concludes that, extraterritoriality apart, general criticisms of the performance of foreign-owned subsidiaries in Canada "usually do not stand up to statistical examination."

Write: The National Planning Assn., 1606 New Hampshire Ave., NW., Washington, D.C. 20009.

***The Financial Post Survey of Industrials, 1969*. Published by *The Financial Post*, Toronto. 388pp. $8.**

This 43rd annual publication reviews the financial picture of Canadian firms engaged in manufacturing, merchandising, banking, finance, transportation, mining and other facets of Canada's business situation.

The principal balance sheet items and a consolidated income account for the years 1966-68 are shown for individual companies. A brief description of each company's activities, the names of its directors and a summary of its indebtedness are also included.

Write: The Financial Post, 481 University Ave., Toronto 101, Canada.

★ U. S. GOVERNMENT PRINTING OFFICE 1969—302-311/21

Calendar *for international traders*

CHICAGO—Dec. 11—International Trade Club of Chicago, La Salle Hotel, luncheon meeting, 12 noon.

CHICAGO—Dec. 17—Chicago Midwest Credit Management Association, Bismarck Hotel.

CHICAGO — Feb. 11-13 — Annual Personnel Conference, Palmer House. Sponsor: American Management Assn.

CINCINNATI—Dec. 10—Third Annual Export Trade Workshop, final of seven consecutive Wednesday sessions, University of Cincinnati. Sponsors: Commerce Field Office, REEC, University of Cincinnati.

DETROIT—Dec. 18—Export Seminar, 445 Federal Bldg., 9:30 a.m. Sponsor: Commerce Field Office.

GRAND RAPIDS, MICH.—Jan. 27—Western Michigan World Trade Club, Swiss Chalet, 6 p.m.

HONOLULU—Dec. 17—Export-Import Workshop, 286 Alexander Young Bldg., 10 a.m. Sponsors: Commerce Field Office, SBA.

INDIANAPOLIS—Dec. 9—Ninth of ten consecutive Tuesday International Trade Seminars, Purdue University, 8-10 p.m. Sponsors: Commerce Field Office, Indiana Chamber of Commerce, World Trade Club of Indiana, Purdue University, Indiana University.

KANSAS CITY—Dec. 8—Businessmen's Consultation, **Floyd J. Dubas, Far Eastern Division, BIC, U.S. Department of Commerce** (for area manufacturers interested in exporting to Malaysia and Singapore), Federal Office Bldg., 8:30 a.m.-5 p.m. Sponsor: Commerce Field Office.

MEMPHIS—Dec. 10—Export Problem Clinic, Sheraton Motor Inn. Sponsors: Commerce Field Office, Mid-South Exporters' Roundtable.

MEMPHIS—Dec. 16—Memphis World Trade Club, Sheraton Motor Inn.

MIAMI—Dec. 9—Full Day Export Workshop, Port of Miami, 9:30 a.m.-4 p.m. Sponsored by Seaway Lines, in cooperation with Commerce Field Office, University of Miami, Port of Miami and the Greater Miami Manufacturers Assn.

MIAMI—Dec. 11—Cargo Insurance Workshop, 821 City National Bank Bldg., 9 a.m. Sponsors: Commerce Field Office, South Florida REEC.

Calendar deadline

Information for publication must be received three weeks before the date of the announced event. Include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space. **Write:**

Managing Editor

International Commerce

BIC-204

U.S. Department of Commerce

Washington, D.C. 20230

NEW YORK—Dec. 16—FCIB Hardware-Automotive & Allied Trades Group, Christmas Meeting and Election of Chairman for 1970, Advertising Club, 12:30 p.m.

NEW YORK—Dec. 18—FCIB Drug, Chemical & Food Export Club, Christmas Luncheon-Meeting and Party, Advertising Club, 12:15 p.m. Chairman: Warren G. Sheehan, treasurer, American Key Productions, Inc.

NEW YORK — Jan. 5-7 — International Corporate Insurance & Employee Benefit & Pension Management Concurrent Briefing Sessions, Roosevelt Hotel. Sponsor: American Management Assn.

NEW YORK—Feb. 25-27—Annual EDP Conference, Americana Hotel. Sponsor: American Management Assn.

NEW YORK—Apr. 20-23—Annual Packaging Conference and Exposition. Conference, Apr. 20-22, American Hotel. Exposition, Apr. 20-23, Coliseum. Sponsor: American Management Assn.

PHILADELPHIA—Dec. 9—Export-Import Course, fourth of 26 consecutive Tuesdays, Academy of Advanced Traffic, 6-10 p.m. Instructor: Stanley Kaplan, vice president, John H. Faunce, Phila., Inc., tuition, $195, plus $20 enrollment fee for non-members. Contact: William J. Guest, Tel. 215-563-3061.

PHOENIX—Dec. 8—Export Workshop, 5413 Federal Bldg., 10 a.m.-12 noon. Sponsors: Commerce Field Office, REEC.

ST. LOUIS—Dec. 16—"Show You" Export Workshop on Documentation, Conference Room, Federal Bldg., 2 p.m. Sponsors: Commerce Field Office, World Trade Club, Chamber of Commerce.

SPRINGFIELD, MASS.—Dec. 9—Springfield Export Sales Managers Assn., Dinner Meeting, Stonehaven Hotel & Motor Inn, 5:30 p.m. Speaker: **James R. MacLean, chief, international trade division, Commerce Boston Field Office.**

WASHINGTON—Mar. 23-24—10th Annual Washington Conference on Business-Government Relations, Shoreham Hotel. Sponsor: The American University Center for the Study of Private Enterprise.

WICHITA—Dec. 9—Export Documentation Workshop, Chamber of Commerce, 300 Miller Bldg., 9-11:30 a.m. Sponsors: Commerce Field Office, REEC.

WICHITA—Dec. 9—Export Market Development Workshop, Chamber of Commerce, 300 Miller Bldg., Sponsors: Commerce Field Office, REEC.

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